

BEFORE THE
SURFACE TRANSPORTATION BOARD

DOCKET NO. FD 36873

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

SERVICE ASSURANCE PLAN

VERIFIED STATEMENT

OF

JOHN W. TURNER

Table of Contents

I.	Introduction.....	1
A.	Witness Qualifications	1
B.	Purpose and Scope.....	3
C.	Overview	4
II.	Service Improvements from Integration of Operations.....	5
A.	Applicants’ Change Management Process	7
B.	Service Changes from Optimizing Operations.....	11
1.	Manifest Traffic	12
2.	Projected Service Improvements for Intermodal Operations.....	15
C.	Potential Areas of Service Degradation	18
D.	Potential Impacts on Connecting Rail Carriers and Ports.....	21
1.	Chicago Gateway	21
2.	St. Louis Gateway.....	22
3.	Kansas City Gateway	22
4.	Memphis Gateway	23
5.	New Orleans Gateway	23
6.	Other Class II and Class III Railroads.....	24
7.	Ports	24
III.	Yard and Terminal Operations	25
A.	Overview	25
B.	Principal Classification Yards and Major Terminals	25
1.	Principal Classification Yards.....	25
2.	Major Intermodal Terminals.....	27
C.	Changes to Operations of Principal Classification Yards and Major Intermodal Terminals	29

1.	Principal Classification Yards.....	29
2.	Major Intermodal Terminals.....	34
D.	Dwell Time and On-Time Origination Performance Benchmarks.....	38
1.	Principal Classification Yards.....	38
2.	Major Intermodal Terminals.....	41
IV.	Infrastructure Improvements – Capital Improvement Plan.....	43
A.	Capital Improvements Critical to Integrating UP and NS	43
B.	Capital Improvements to Handle Projected Growth	44
1.	Main Line Capacity Improvements	44
a.	Main Line Projects on the UP Network.....	45
b.	Main Line Projects on the NS Network.....	51
2.	Yard and Terminal Capacity Improvements.....	63
a.	Intermodal Terminal Projects	64
b.	Manifest Yard Projects	71
c.	Automotive Facility Projects	75
C.	Funding of Capital Improvements	78
V.	Information Technology Systems.....	81
A.	Guiding Principles of the UP/NS IT Integration Plan.....	83
B.	Applicants’ Robust IT Systems That Will Support Integration	84
1.	IT Systems Supporting Operations	85
2.	Customer-Facing IT Systems.....	88
3.	Back Office IT Systems	88
4.	IT Policies and Processes, Including Cyber Incident Response	88
5.	Existing Collaboration.....	91
C.	Initial IT System Integration.....	91
D.	Subsequent Phases of IT System Integration.....	94

E.	Risk Management for IT Integration	96
F.	Applicants’ Successful Management of Transition Risk in Prior IT Projects.....	101
VI.	Customer Service Integration Plan.....	105
A.	Overview	105
B.	Applicants’ Guiding Principles	107
C.	Current Practices	109
D.	Initial Customer Service Integration	114
E.	Applicants’ Plans for Subsequent Seamless Integration of Their Customer Service Systems.....	116
F.	Applicants’ Record of Successfully Implementing Customer Service Improvements.....	120
VII.	Labor Plan	122
A.	Labor Implementing Agreements.....	122
B.	Applicants’ Plan to Ensure Sufficient Qualified Employees	125
1.	Craft Employees	126
2.	Management Personnel.....	133
3.	Conclusion.....	134
VIII.	Training.....	135
A.	Overview	135
B.	Applicants’ Plan for Integrated Training.....	136
C.	Integration Support.....	140
D.	Training Functions.....	142
E.	Regulatory Training.....	144
1.	Train and Engine Service.....	144
2.	Motive Power and Equipment.....	145
3.	Track, Signal, Safety Standards, and Bridge Structures	146

4.	Hazardous Materials	148
5.	Dispatching	149
6.	Contractor Training and Management.....	150
IX.	Contingency Plans for Merger-Related Service Disruptions	151
A.	Introduction	151
B.	Applicants’ Development of Integration Plans to Protect Against Merger-Related Service Disruptions	155
C.	Devotion of Significant Resources to Preventing and Addressing Service Disruptions	158
1.	Assessing Potential Risks	158
2.	Maintaining Buffer Capacity for Critical Resources.....	159
a.	Main Lines	160
b.	Terminals	161
c.	Crews.....	162
d.	Locomotives.....	163
e.	Rail Cars.....	165
3.	Monitoring to Detect Potential Service Disruptions	166
4.	Developing and Executing Response Actions.....	168
5.	Monitoring Response Effectiveness	173
6.	Communicating with Stakeholders	174
D.	Applicants’ Successful Contingency Planning Frameworks.....	175
1.	International Intermodal Rush (2024 to 2025)	176
2.	Upper Great Lakes (June 2024).....	177
3.	Baltimore Key Bridge Collapse (March 2024).....	178
4.	Hurricane Helene (September 2024)	179
E.	Applicants’ Contingency Plans for Merger-Related Service Disruptions	180
1.	Risk Identification and Assessment	180

2.	Identification and Maintenance of Buffer Resources.....	181
3.	Monitoring to Detect Merger-Related Service Disruptions	183
4.	Developing and Executing Response Actions Through a Special Problem Resolution Team	184
5.	Monitoring Response Effectiveness	188
6.	Stakeholder Communications	188
7.	Commitment to Working with Other Carriers.....	189
F.	Remedies for Service Disruptions.....	190
X.	Coordination of Freight and Passenger Operations	191
A.	Facilitating Passenger Operations to Fulfill Contractual Obligations.....	192
1.	Passenger Rail Services on UP	193
2.	Passenger Rail Services on NS	199
3.	Future Passenger Services	203
4.	Applicants’ Freight Services on Passenger Providers’ Lines.....	204
B.	Operating Protocols Ensuring Effective Communication with Passenger Rail Operators	205
1.	Communication & Coordination Protocols	206
a.	Union Pacific	206
b.	Norfolk Southern	211
2.	Monitoring of Passenger Performance.....	214
a.	Union Pacific	214
b.	Norfolk Southern	217
3.	Training	218
a.	Union Pacific	218
b.	Norfolk Southern	219
C.	Applicants’ Plans for Effective Communication by the Combined Railroad	220

XI.	Timetable.....	224
A.	Day 1 through Day 180	225
1.	Safety	225
2.	Operations.....	225
3.	Information Technology	226
4.	Customer Service.....	226
5.	Training	227
B.	Day 181 through Year 1	227
1.	Safety	227
2.	Operations.....	227
3.	Information Technology	227
4.	Customer Service.....	228
5.	Training	228
C.	Year 2, Half 1.....	228
1.	Safety	228
2.	Operations.....	228
3.	Information Technology	229
4.	Customer Service.....	229
5.	Training	229
D.	Year 2, Half 2.....	229
1.	Safety	229
2.	Operations.....	229
3.	Information Technology	229
4.	Customer Service.....	230
5.	Training	230
E.	Year 3, Half 1.....	230
1.	Safety	230
2.	Operations.....	230
3.	Information Technology	230

4.	Customer Service.....	231
5.	Training	231
F.	Year 3, Half 2.....	231
1.	Safety	231
2.	Operations.....	231
3.	Information Technology	232
4.	Customer Service.....	232
5.	Training	232
XII.	Benchmarking	237
A.	Corridor Performance Benchmarking	238
1.	UP Internal Traffic Benchmarking.....	241
2.	NS Internal Traffic Benchmarking.....	244
3.	UP-NS Pre-Transaction Benchmarking	247
4.	Corridor Benchmarking Data	249
B.	Yard and Terminal Benchmarking.....	249
1.	Principal Classification Yards.....	250
2.	Major Intermodal Terminals.....	253
C.	System Benchmarking	256
1.	Cars on Line.....	256
2.	Average Train Velocity by Train Type.....	257
3.	Locomotive Fleet Size and Applicable Bad Order Ratios	258
4.	System Benchmarking for Passenger Services	258
a.	Amtrak Passenger Services.....	259
b.	Other Passenger Services	261
	Appendix A – Contingency Plans.....	267
	Appendix B – Alternative Dispute Resolution Program	287

SERVICE ASSURANCE PLAN

VERIFIED STATEMENT

OF

JOHN W. TURNER

I. Introduction

A. Witness Qualifications

1. My name is John Turner. I am Senior Vice President Operations – Northern Region at Union Pacific Railroad Company (“UP”). In my current role, I am responsible within UP’s Northern Region for providing leadership and optimizing network performance while ensuring the railroad’s safety, service, and operational excellence objectives are met. I joined UP in 1998 and have held my current position since April 2024. I began my railroad career as a conductor and worked my way up through the transportation ranks. I previously served as Senior Vice President – Network Planning and Harriman Dispatch Center (“HDC”), Vice President – Network Planning, and Assistant Vice President – Network Integration and Scheduling. I also led the Portland and Utah service units as General Manager. I earned a Bachelor of Science degree in Transportation and Logistics from Iowa State University and an MBA from Mendoza College of Business at the University of Notre Dame.

2. I am sponsoring and verifying this Service Assurance Plan, which Applicants are required to file under 49 C.F.R. § 1180.10. The Service Assurance Plan, in concert with the Operating Plan, describes the precise steps to be taken by Applicants to ensure that projected service levels would be attainable and that key

elements of the Operating Plan would improve service when UP merges with Norfolk Southern Railway Company (“NS”).

3. I have overall responsibility for developing the Service Assurance Plan. In accordance with the Board’s rules, the Service Assurance Plan addresses Applicants’ planning efforts covering a wide range of subject matters. The Service Assurance Plan was developed with the assistance of numerous professionals from a variety of disciplines at both UP and NS, each of whom contributed to the planning process. I have relied on their work in sponsoring and verifying this Service Assurance Plan.

4. In particular, the Information Technology Systems portion of the Service Assurance Plan was prepared by and under the supervision of Rahul Jalali, UP’s Executive Vice President and Chief Information Officer. Mr. Jalali was appointed Senior Vice President and Chief Information Officer in November 2020 and promoted to Executive Vice President in June 2023. Mr. Jalali serves as the organization’s technology thought leader, ensuring UP has a complete, integrated process and systems strategy. Prior to joining UP, Mr. Jalali spent 23 years with Walmart Inc., most recently as corporate vice president in the technology division serving Walmart International. In that role, he specialized in developing world-class global technology solutions and organizations that could scale technology platforms and leverage data, automation, and machine learning to build quality products to grow/optimize businesses.

B. Purpose and Scope

5. This Service Assurance Plan describes how the integration of UP and NS activities following consummation of the proposed transaction, the operational changes expected to result, and the operating efficiencies and other benefits anticipated from the merger will translate into present and future benefits for the shipping public. The Service Assurance Plan also describes potential areas where service may be impacted due to operational changes and how instances of impacted service might be mitigated.

6. To address these issues, Part II of the Service Assurance Plan describes how the changes described in the Operating Plan will result in improved service levels at a route level, and how the changes will affect shippers, connecting railroads, and ports. Part III describes how the changes will affect the operational fluidity of Applicants' principal classification yards and major terminals. Part IV identifies the infrastructure improvements Applicants currently anticipate they will need to produce the projected service improvements and accommodate the projected merger-related traffic growth, and their plan for timely completion of those improvements.

7. The Service Assurance Plan also describes how Applicants will guard against service degradation through their planning efforts. Part V describes Applicants' planning for integration of their information technology ("IT") systems and the interim systems they will use prior to full integration. Part VI describes Applicants' plans for consolidating their customer service functions and familiarizing customers with new processes and procedures they may encounter. Part VII describes Applicants' plans for reaching necessary labor implementing agreements and shows

Applicants will have sufficient qualified employees available at the proper locations to implement the proposed transaction. Part VIII describes Applicants' plans for providing the necessary training to employees in functions that will be affected by the transaction. Part IX of the Service Assurance Plan describes Applicants' contingency plan for merger-related service disruptions, as well as Applicants' protocol for handling service failure claims.

8. Part X describes how Applicants will continue facilitating the operations of Amtrak and commuter carriers to fulfill existing performance agreements and ensure effective communications to minimize any potential transaction-related negative impacts.

9. The Service Assurance Plan provides a timetable for all major functional and system changes that will occur in Part XI.

10. Finally, the Service Assurance Plan provides benchmarks for measuring corridor performance, yard and terminal performance, and system performance in Part XII.

C. Overview

11. This Service Assurance Plan presents Applicants' current plans and projections regarding the integration process. Applicants have been engaged in the planning process for the past eight months, and they have made substantial progress, but their plans will continue to develop and evolve between now and the time the merger is fully implemented, which is not expected to occur until three years after the merger is authorized.

12. Applicants operate in a highly dynamic industry, characterized by a constantly changing market environment. To provide the highest level of service to their customers, Applicants must be flexible and adaptable. Service offerings designed to meet expected customer demands today may no longer meet actual customer demands a year from now. Projected traffic flows that would necessitate investment in new capacity may shift locations or fail to materialize. UP and NS have been leaders in developing and implementing technologies that make rail operations safer and more efficient. Combining the two companies should accelerate the pace of change, so the way work is performed today will not necessarily be the way work is performed tomorrow. The merged company will also continue to improve information technologies that support operations and customer service functions. Systems that are best-in-class today may be replaced by better systems within a few years. The merger will allow the combined companies to respond to changing market dynamics and generate greater positive change than either company could do on its own.

13. The Service Assurance Plan clearly demonstrates that Applicants are engaged in a careful planning process designed to ensure the merger delivers benefits to the shipping public without causing service degradation during the implementation process. However, Applicants' plans are not set in stone; they must remain flexible for the full promise of the transaction to be realized.

II. Service Improvements from Integration of Operations

14. The Operating Plan describes in detail Applicants' plans to integrate UP and NS operations to provide customers faster, more efficient, more reliable single-line service. As described in the Operating Plan, Applicants plan to improve service

in two ways. First, Applicants will optimize existing UP-NS traffic flows by changing train and blocking plans and eliminating interchanges between the two railroads. Second, Applicants will introduce new train services to accommodate projected merger-related traffic growth. Customers with traffic currently interchanged between UP and NS will benefit most directly from the changes described in the Operating Plan, but many other customers of UP, NS, and other railroads will also benefit from optimized traffic patterns that reduce congestion at key gateways, as well as the other safety, service, and technological improvements the merger will make possible.

15. Applicants' plans to integrate UP and NS operations should not result in harm to existing service. As discussed in the Operating Plan, most of Applicants' main lines, yards, and terminals will not experience any significant merger-related increase in activity levels. With regard to main lines, yards, and terminals projected to experience a merger-related increase in traffic levels, Applicants have evaluated their current and future projected capacity and determined they either have sufficient capacity to absorb the increased activity levels or will have sufficient capacity as a result of currently planned or merger-related infrastructure improvements or operating changes.

16. Applicants recognize that any change to train and blocking plans and any yard or terminal rationalization creates a risk of service degradation to the extent plans are flawed in design or execution. UP and NS use similar standardized transportation plan change management workflows to guard against design and

execution flaws. Applicants will follow these change management procedures in implementing the changes to train and blocking plans described in the Operating Plan. Applicants will similarly engage in extensive planning before undertaking the yard and terminal consolidations described in the Operating Plan.

17. Applicants describe the change management procedures they will follow in implementing any changes to train and blocking plans and any yard and terminal consolidations in Section II.A. Applicants then describe their planned changes to manifest and intermodal train operations and the projected impacts on customer service levels in Sections II.B.1 (manifest) and II.B.2 (intermodal). Applicants discuss potential areas of service degradation resulting from their planned changes in Section II.C. Finally, Applicants discuss the impact of their planned changes on connecting carriers and ports in Section II.D.

A. Applicants' Change Management Process

18. UP and NS use similar change management procedures to guard against the risk of service degradation when implementing changes to their train and blocking plans and when planning to add new trains or rationalize yards and terminals. The procedures are designed to establish clear expectations, careful oversight, and accountability. They ensure stakeholders from across the organization analyze potential service impacts, develop criteria for success before changes are implemented, and monitor the implementation process so plans can be adjusted if necessary.

19. Applicants will use these established change management procedures when implementing the changes described in the Operating Plan. Applicants'

procedures require careful consideration of existing conditions and constraints at the time changes are implemented. For this reason, among others, Applicants' Operating Plan and the service improvements identified in this Service Assurance Plan necessarily represent projections rather than finalized plans. However, Applicants will use their established change management procedures in actually implementing any merger-related operational changes.

20. In the first step of the transportation plan change management process, Applicants' network planners prepare a proposal for recommended changes that considers the impact of the proposed changes on critical network assets—*i.e.*, main lines, yards and terminals, crews, locomotives, and rail cars—and on customers. When a proposed change involves a line on which passenger trains operate, the planners also consider the impact of the change on passenger operations. The proposal includes an updated transportation plan that identifies service changes at origin and destination and at each intermediate point from origin to destination on the affected service—that is, crew changes, inspections, pick-ups, and set-outs. Applicants' Operating Plan in some ways replicates this first step, though it analyzes the consolidated impact of all the proposed changes rather than the incremental impact of each proposed change.

21. In the second step of the change management process, the updated transportation plan is circulated to a set of internal stakeholders for review. At UP, stakeholders include representatives from potentially affected groups—*e.g.*, operating, marketing, locomotive and crew resources—as well as regional and local

operating personnel and personnel responsible for passenger operations. Each stakeholder department reviews the proposal to determine whether it can be executed as planned. A proposal cannot proceed until it receives approval from each stakeholder. The process is designed to be iterative—each stakeholder can provide feedback, identify additional considerations, and grant contingent approval.

22. Once all stakeholders provide approval, the implementation process begins. The implementation process varies based on the relative complexity and nature of the transportation plan change. Simple changes in blocking patterns may require only providing detailed instructions to personnel in affected yards and periodic remote monitoring by regional and network operations managers. Work crews and facilities are already well-equipped to implement minor alterations to blocking patterns.

23. More complex operational changes such as starting new train pairs and rationalizing terminals typically involve additional considerations and closer supervision. For example, operational changes impacting crew assignments may require negotiations with labor organizations. Main line route changes may require crews to undergo additional familiarization, training, or certification processes. Terminal rationalizations will likely require multiple on-site visits by network planners to walk through specific changes with local operating personnel, as well as close coordination between railroad customer service personnel and customers whose shipments are processed in affected yards.

24. For these more complex changes, Applicants typically develop scorecards to closely track each consideration and ensure implementation metrics align with projected service improvements. In some cases, scorecards are distributed daily to the teams charged with implementing changes to provide immediate feedback on their progress. In all cases, supervisors and their teams meet on a regular basis to address progress and any deviations from the implementation plan and to adjust plans in response to unanticipated challenges.

25. As discussed above, Applicants will apply their change management processes to the changes described in the Operating Plan. As Applicants get closer to implementing the merger, they will establish an implementation sequence that considers how related changes can be grouped to accelerate delivery of merger benefits while also accounting for regional and local resource availability to ensure no one area is overwhelmed by changes.

26. All changes will be made within a structure that includes clear expectations, careful oversight, and accountability. As Applicants begin implementing changes to train and blocking plans, they will establish a regular cadence of weekly meetings between local and regional operating personnel and network planners to evaluate impacts of recent changes, discuss ongoing implementation efforts, and plan for additional future changes. These meetings will provide opportunities to give and receive feedback and adjust plans as necessary.

27. Applicants also will not make any merger-related changes that cannot be reversed if necessary. They will be able to revert to pre-merger train and blocking

patterns if unexpected issues arise with new patterns. They also will be able to restore pre-merger terminal operations if unanticipated issues arise after consolidations. Applicants have also developed specific contingency plans for merger-related service disruptions, as described in Part IX of this Service Assurance Plan.

28. Applicants’ planning process is designed to protect against events that might cause merger-related service disruptions. Applicants will proceed with implementation only when the network and all internal stakeholders are properly oriented for success, and Applicants will ensure customers and affected connecting carriers are informed about the timing of any changes affecting their operations, though, as discussed below, Applicants expect those effects to be minimal.

B. Service Changes from Optimizing Operations

29. As discussed in the Operating Plan, Applicants’ consolidation and optimization of UP and NS operations will provide faster, more efficient service for traffic currently interchanged between UP and NS. In aggregate, Applicants’ Optimized Plan is projected to eliminate approximately 2,550 daily handlings and save approximately 65,000 daily car miles.¹ Applicants’ Growth Plan anticipates the merged railroad will attract a significant amount of new traffic, and thus handlings and car hours increase, but the growth traffic will be created by and benefit from the same types of service improvements and efficiencies achieved in the Optimized Plan. In the sections below, Applicants describe those service improvements and

¹ See Op. Plan Workpaper “C-Operating Plan Metrics vFinal,” Tab “Growth Plan,” Cells D17 and D25.

efficiencies on a route level so individual shippers can evaluate the projected improvements and changes.

1. Manifest Traffic

30. As described in the Operating Plan, Applicants are planning significant changes to train and blocking plans to optimize current flows of manifest traffic and provide significant transit time improvements. Transit time savings from eliminating car handlings depend on the nature of the handling and the capabilities of the facilities in which the handling occurs, as well as the timing of connecting services. Applicants' experience is that, on average, eliminating handlings reduces transit times by approximately 20 to 24 hours. Applicants' Optimized Plan includes plans to operate several new manifest trains that will allow traffic to move from origin to destination with fewer intermediate handlings. These trains, which are described in more detail in the Operating Plan,² include:

- A new train (MNPCW) that will eliminate 248 daily car handlings for traffic moving from west of North Platte, Nebraska, to the Ohio Valley and Northeast;
- A new train (MALEK) that will eliminate 148 daily car handlings on traffic moving between Minnesota and Wisconsin, on the one hand, and Ohio, Pennsylvania, and New York, on the other hand;
- A new train (MCWAL) that will eliminate car classifications for approximately 110 cars daily processing through the BRC on traffic moving from New York, Pennsylvania, Ohio, and Virginia to Illinois, Wisconsin, and Minnesota;
- A new train (MNLWC) that will save two handlings for approximately 80 cars daily (161 total daily car handlings) on traffic moving from

² See Op. Plan Workpaper "Manifest T1 vs T2.xlsx."

Texas, Louisiana, and Arkansas to Detroit, the Ohio Valley, and the Northeast; and

- A new train pair (MNLCT/MCTNL) that will eliminate 170 daily car handlings on traffic moving between Texas, Louisiana, Arkansas, and western points on UP, on the one hand, and Kentucky, Alabama, Tennessee, and northeastern and southeastern points on NS, on the other hand.

31. Applicants' Optimized Plan also incorporates a substantial number of changes to existing plans that do not involve operating new trains but will reduce handlings for manifest traffic that rides existing trains. These changes include:

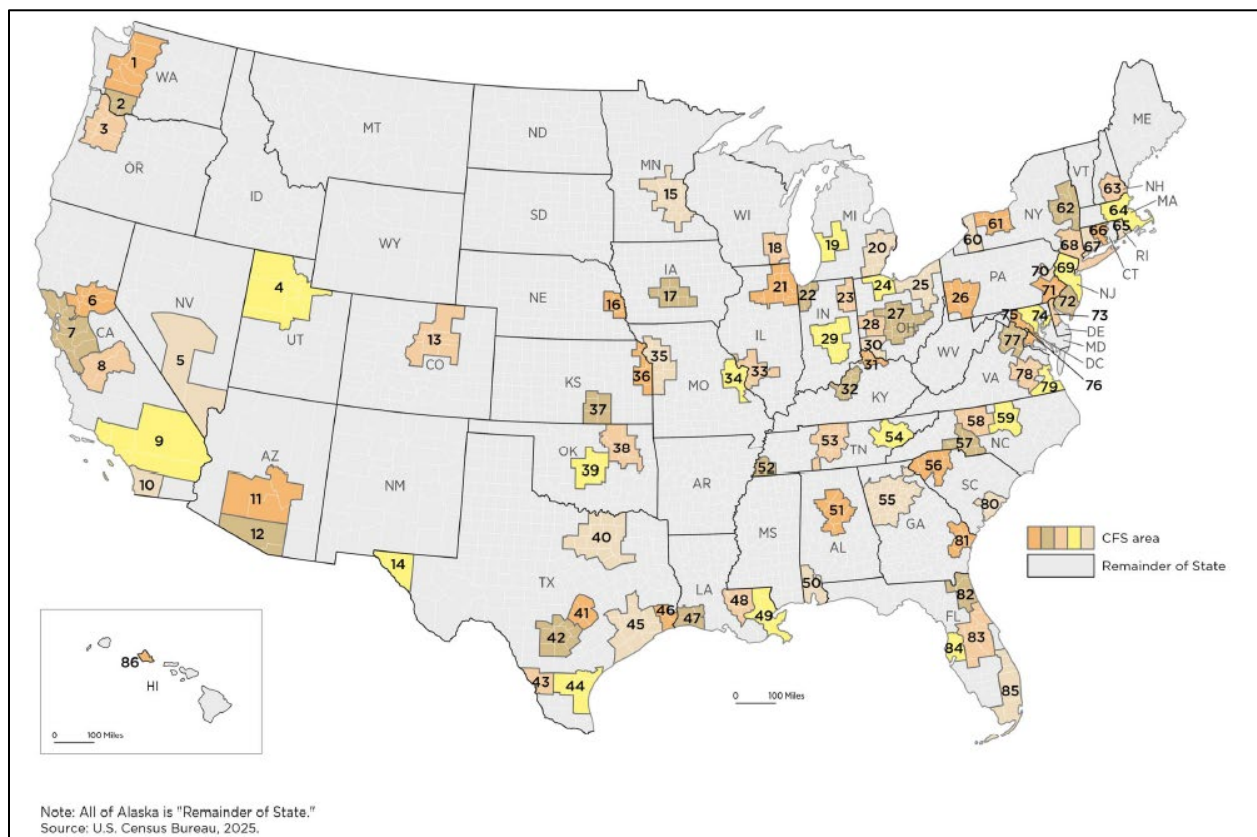
- Building blocks for eastbound traffic to destinations currently served by NS using Alton & Southern Railway ("A&S"), rather than have A&S transfer eastbound traffic to the Terminal Railroad Association of St. Louis ("TRRA") for blocking;
- Building blocks in North Platte to destinations in Ohio and Pennsylvania served by NS, rather than building blocks for Indiana and blocking the cars again in Indiana;
- Building blocks at Bellevue, Ohio, and Conway, Pennsylvania, for UP's North Little Rock yard to reduce handlings in the St. Louis gateway;
- Building blocks at Birmingham, Alabama, for Texas Gulf traffic to reduce handlings;
- Building blocks in eastern Iowa and Elkhart to reduce terminal handlings in the Chicago gateway;
- Shifting work from NS's North Kansas City Yard to UP's 18th Street Yard to reduce transfers between NS and UP; and
- Shifting work from NS's Oliver Yard to UP's Avondale Yard to reduce transfers between UP and BNSF and NS.

32. Applicants' combined network, as represented in the Optimized Plan, includes approximately 9 million loaded and empty cars of manifest traffic moving

between 178,145 origin-destination pairs, including 173,596 origin-destination station pairs with traffic levels of less than one car per day.³

33. To allow shippers to evaluate projected service improvements and changes on a more manageable level, Applicants identified origin-destination station pairs that had movements in the Base Plan and the Optimized Plan—to allow an apples-to-apples comparison—and assigned the station pairs to origin-destination routes based on Commodity Flow Survey (“CFS”) areas used by the U.S. Census Bureau. CFS areas are shown below in Figure 1.

Figure 1: 2022 Commodity Flow Survey Areas



³ See Workpaper “OD Pair Summary Documentation.xlsx,” Tab “Total Manifest Car Count,” Cell B7; *id.*, Tab “Documentation.”

34. Applicants’ process identified 1,542 manifest CFS-based routes that Applicants project will experience an improvement of at least one handling per day. Applicants are providing the full list of manifest CFS-based routes in Electronic Appendix U and the accompanying workpapers.⁴ Applicants anticipate the manifest trains they project adding as part of their Growth Plan would perform similarly to trains moving over comparable routes in the Optimized Plan.

35. The results presented in Applicants’ Appendices reflect modeling performed far in advance of any actual post-merger operating changes. The results therefore do not necessarily represent changes UP/NS will adopt after applying their change management process. Network planners rely on the best information available at the time changes are made. As discussed above, Applicants will not change any train or blocking plan without completing their change management process. Use of the change management process is important to ensure Applicants can successfully execute their plans under the operating conditions that exist when the plans change.

2. Projected Service Improvements for Intermodal Operations

36. As described in the Operating Plan, Applicants are planning significant changes to optimize current flows of intermodal traffic and provide substantial improvements in transit times. Applicants’ Optimized Plan includes plans to operate two new intermodal train pairs that will allow traffic to move from origin to

⁴ See Workpaper “C-CFS Lane Analysis vFinal.xlsx,” Tab “tab_1A_Manifest_summary,” Cell I17.

destination using faster routes with fewer intermediate handling. The new trains, which are described in more detail in the Operating Plan, are:

- A new train pair (ZLCCX/ZHBLC) that will save approximately 17 hours of transit time on traffic moving from Southern California to the Northeast and approximately 19 hours on traffic moving in the opposite direction by using NS's line between Kansas City, Missouri, and Butler, Indiana;⁵ and
- A new train pair (ZLBAT/ZCTLB) that will save approximately 70 hours of transit time on traffic moving from Southern California to the Southeast and approximately 95 hours on traffic moving in the opposite direction by operating via Shreveport and Meridian.⁶

37. Applicants anticipate ZLCCX will operate between LATC in Los Angeles, California, and Croxton, New Jersey, in 95 hours; ZHBLC will operate between Harrisburg, Pennsylvania, and LATC in 93 hours.⁷

38. Applicants anticipate ZLBAT will operate between Long Beach, California, and Atlanta, Georgia, in 74 hours; ZCTLB will operate between Charlotte, North Carolina, and Long Beach in 83 hours.⁸

39. Applicants are also planning to institute several new intermodal services as part of their Growth Plan. The new services are described in detail in the Operating Plan. The projected origin-to-destination train transit times, from departure to arrival, for the new services are set out below in Table 1.

⁵ Workpaper "Transcon Lane Level Transit Time & Comps.xlsx," Tab "Transit Times," Cells N4 and N16.

⁶ See Workpaper "Transcon Lane Level Transit Time & Comps.xlsx," Tab "Transit Times," Cells N5 and N17.

⁷ See *id.*, Cells M4 and M16.

⁸ See *id.*, Cells M5 and M17.

Table 1
New Intermodal Services

Train Symbol	Direction	Origination	Destination	Planned Transit Time (hrs)
ZLTCX	Eastbound	Lathrop, CA	Croxtton, NJ	83
ZCICX	Eastbound	City of Ind., CA	Croxtton, NJ	95
ZLCDT	Eastbound	LATC, CA	Livernois, MI	73
ZIEJX	Eastbound	IEIT, CA	Jacksonville, FL	83
ZMXCX	Eastbound	Port Laredo, TX	Croxtton, NJ	85
ZHOAT	Eastbound	Houston, TX	Atlanta, GA	39
ZLTCT	Eastbound	Lathrop, CA	Charlotte, NC	109
ZCXLT	Westbound	Croxtton, NJ	Lathrop, CA	85
ZCXCI	Westbound	Croxtton, NJ	City of Ind., CA	99
ZDTLC	Westbound	Livernois, MI	LATC, CA	80
ZCTLB	Westbound	Charlotte, NC	Long Beach, CA	83
ZCXMX	Westbound	Croxtton, NJ	Port Laredo, TX	83
ZATHO	Westbound	Atlanta, GA	Houston, TX	36
ZCTLT	Westbound	Charlotte, NC	Lathrop, CA	108

40. Applicants can provide more specific estimates of planned transit times for intermodal trains than for manifest trains because intermodal service generally involves fewer elements than manifest service—for example, fewer pick-up and set-out events and fewer connections to coordinate. However, the planned transit times set forth above also reflect only preliminary expectations. Applicants will not institute any new schedules without completing their change management process to ensure the schedules respond to market conditions and can be executed under the operating conditions that exist at the time.

C. Potential Areas of Service Degradation

41. As discussed throughout the Amended Application, the UP/NS merger will provide tremendous benefits to customers shipping on UP and NS, especially customers shipping traffic between locations on the legacy UP and the legacy NS. Further, as discussed throughout this Service Assurance Plan, Applicants are carefully planning the integration of the two companies to avoid any merger-related service issues.

42. In developing an Operating Plan for the combined company, UP and NS service designers found significant opportunities to improve the speed and efficiency of service for large numbers of customers. As noted above, the combination is projected to eliminate approximately 2,550 daily handlings and save 65,000 daily car miles, which benefits our customers and the public at large.⁹ Making these improvements sometimes requires making trade-offs. Sometimes improving transit times for a heavily used route requires changes that have the opposite impact on a route with less traffic. For example, UP currently moves some intermodal traffic directly from Southern California to Marion, Arkansas. Under the Optimized Plan, the Marion traffic will initially ride ZLBAT, a new train UP/NS plans to operate to Atlanta via the Meridian Speedway. UP will split out Marion and Dupo (St. Louis) traffic at Greggton, Texas, where it will continue to Marion on the IGRMN (Greggton to Marion). The new ZLBAT will reduce transit times by 70 hours for 57 containers

⁹ See Workpaper “C-Operating Plan Metrics vFinal.xlsx,” Tab “Growth Plan,” Cells D25 and D17.

of traffic per day moving to the Southeast—a number expected to grow as the improved service attracts even more business.¹⁰ However, the extra handling at Greggton will add approximately 4 hours of transit time to the 191 daily containers in the Marion and Dupo blocks.¹¹ Applicants would look carefully for ways to mitigate the impacts on Marion and Dupo traffic before implementing any new service as part of their change management process; however, transit times could increase on some routes in creating transit time savings on other routes.

43. To help shippers understand the potential magnitude of the transit time savings in relation to potential transit time increases, Applicants used the manifest CFS-based routes discussed above to identify routes on which traffic was projected to experience any change in average handlings per car from the Base Plan to the Optimized Plan. Of the 9,077 manifest routes identified, 40 percent of routes are projected to have an improvement, 46 percent are anticipated to have no change, for a total of 86 percent projected to have no change or an improvement.¹²

44. To focus on routes on which customers would be likely to experience more noticeable changes, Applicants identified manifest CFS-based routes on which traffic was projected to experience an average change of more than one handling per car. Of the 1,667 routes projected to see an increase or decrease of one or more

¹⁰ See Workpaper “Transcon Lane Level Transit Time & Comps.xlsx,” Tab “Transit Times,” Cell N5; Workpaper “Intermodal T1 vs T2.xlsx,” Tab “ZCTLB ZLBAT Detail,” Cell G15.

¹¹ See Workpaper “Intermodal T1 vs T2.xlsx,” Tab “ZLBAT Greggton Detail,” Cell G7.

¹² See Workpaper “C-CFS Lane Analysis vFinal.xlsx,” Tab “tab_1A_Manifest_summary,” Cells M7, M8, and N8.

handlings, Applicants expect that 1,542, or 93 percent, will see a decrease (improvement) in handlings.¹³

45. On the intermodal side, Applicants used the CFS areas to identify intermodal routes projected to see any change in average handlings per car from the Base Plan to the Optimized Plan. Of the 1,569 intermodal routes identified, 88 percent are projected to have no change or an improvement.¹⁴ Applicants also identified 82 additional routes on which they would improve handling by eliminating rubber tire interchanges, for a total of 336 routes with improved handlings.¹⁵ The rubber tire routes were not included among the “changed” routes with improved handlings because the improved origin-destination route was “new” in the Optimized Plan.

46. To focus on routes on which customers would be likely to experience more noticeable changes, Applicants identified intermodal CFS-based routes on which traffic was projected to experience an average change of more than one handling per trip or routes representing converted rubber tire traffic. Of the 259 routes projected to see an increase or decrease of one or more handlings, Applicants expect that 186 routes, representing 302,339 containers, or 90 percent of containers, will see a decrease (improvement) in handlings.¹⁶

¹³ See Workpaper “C-CFS Lane Analysis vFinal.xlsx,” Tab “tab_1A_Manifest_summary,” Cells I17 and I18.

¹⁴ See Workpaper “C-CFS Lane Analysis vFinal.xlsx,” Tab “tab_1B_Intermodal_summary,” Cells K25 and Q28.

¹⁵ See *id.*, Cells K28 and K39.

¹⁶ See *id.*, Cells K43, L43, and L46.

47. Again, Applicants emphasize UP/NS will not change current train and blocking plans, institute new trains, or rationalize yard operations without applying the change management process described above in Section II.A. UP/NS will closely monitor the impact of any changes through their normal change management process and provide stakeholders with periodic updates on their merger implementation progress and plans. Applicants will remain committed to transparency throughout the implementation process.

D. Potential Impacts on Connecting Rail Carriers and Ports

48. Applicants' implementation of operational changes will have some impact on the operation of Class II and III railroads, other connecting railroads, and ports, but the impacts should be positive. The sections below first address the effects of Applicants' implementation of operational changes on operations at major gateways. Next, they address the non-gateway effects on operations of Class II and III railroads and the operations of ports.

1. Chicago Gateway

49. Applicants' implementation of operational changes in the Chicago area should help alleviate congestion and thus improve operations for other rail carriers in Chicago. As described in the Operating Plan, Applicants plan to route certain trains around Chicago, thus reducing congestion in the Chicago area. They will also reduce car handlings and crew changes on trains that continue operating through Chicago through train plan and blocking changes and by consolidating certain UP and NS yards and terminals in Chicago.

50. Applicants have no plans to alter their existing interchange with other rail carriers in Chicago, except they will reduce interchange traffic between UP and NS using BRC, as described in the Operating Plan. BRC and IHB will continue to play important roles in the Chicago area, performing local operations and handling traffic interchanged in Chicago between UP/NS and other Class I railroads. By rationalizing handling of UP/NS traffic in Chicago, the UP/NS merger will increase BRC and IHB capacity available to serve other railroads.

2. St. Louis Gateway

51. Applicants' implementation of operational changes in St. Louis will reduce operational complexity and help create interchange and switching capacity in St. Louis. UP/NS will overall reduce yard activity by building blocks for eastbound traffic using A&S, which has capacity to accommodate the additional activity, rather than have A&S transfer eastbound traffic to TRRA for blocking. Applicants will also offset some of the additional work being performed by A&S by building blocks in North Little Rock, Bellevue, and Conway that travel deeper into the combined network, thus reducing classification demand at A&S's Gateway Yard.

52. Applicants have no plans to alter their interchanges with other carriers in St. Louis. UP/NS expect to continue to interchange with other carriers in St. Louis just as UP and NS interchange with those carriers today.

3. Kansas City Gateway

53. Applicants' integration of UP and NS will streamline yard activity in Kansas City. For intermodal traffic, Applicants will use UP's Kansas City Intermodal Terminal and NS's Voltz Yard primarily for separating domestic and international

shipments. For manifest traffic, Applicants will consolidate NS's North Kansas City Yard into UP's 18th Street Yard.

54. Applicants expect to adjust their current interchanges with Canadian Pacific Kansas City ("CPKC"), BNSF Railway ("BNSF"), Kansas City Terminal Railway, and Missouri and Northern Arkansas Railway in accordance with the terminal consolidations described above, which will help reduce interchange moves and congestion in the Kansas City gateway.

4. Memphis Gateway

55. Applicants' integration of UP and NS and intermodal terminal rebalancing will not significantly affect other rail traffic moving in and through Memphis.

56. Applicants have no plans to alter their interchanges with other carriers in Memphis. Applicants expect to continue to interchange with other carriers in Memphis just as UP and NS interchange with those carriers today.

5. New Orleans Gateway

57. Applicants' integration of UP and NS will streamline activity in New Orleans by consolidating operations from NS's Oliver Yard into UP's Avondale Yard. Applicants will also shift BNSF's interchange with NS from Oliver Yard to a UP/NS-BNSF interchange at UP's Avondale Yard. The consolidation of activities in UP's Avondale Yard will free capacity currently consumed when UP and BNSF interchange trains with NS. Specifically, this change will streamline interchange between UP/NS and BNSF, while other through freight movements will reduce crew change events on the Back Belt, thus further improving fluidity in New Orleans.

58. The changes to Applicants’ New Orleans-area operations will not affect interchanges with other carriers in New Orleans. Applicants plan to continue using Oliver Yard to support interchange operations with Canadian National Railway Company (“CN”), CPKC, and New Orleans Public Belt Railroad, but there will be additional opportunities to streamline New Orleans-area operations by shifting NS’s and UP’s current interchanges with CN and CPKC via Baton Rouge, which will further reduce congestion in New Orleans.

6. Other Class II and Class III Railroads

59. As discussed in the Operating Plan, Applicants’ plans do not include any operational changes to connections with UP’s and NS’s many current short line and terminal area switching partners, other than the connections in Chicago and St. Louis discussed above. Applicants’ change management process will consider potential impacts on short line connections before UP/NS adopts any new train or blocking plans that would affect short lines. UP and NS highly value their relationships with their short line partners and will look for opportunities to develop even more efficient connections with short lines to take advantage of the many opportunities created by the merger to attract new business to rail.

7. Ports

60. As discussed in the Operating Plan, Applicants’ plans do not include any operational changes to connections with the many ports served by UP and NS, though Applicants anticipate traffic moving to ports will increase as businesses take advantage of single-line service improvements and efficiencies to become more competitive in international markets. Applicants’ change management process will

consider potential impacts on ports before UP/NS adopts any new train or blocking plans that would affect ports.

III. Yard and Terminal Operations

A. Overview

61. Applicants recognize the operational fluidity of yards and terminals is critical to the successful implementation of a transaction and effective service to shippers. Below, Applicants describe how the operations at principal classification yards and major terminals will be changed and how those changes will affect service to customers. As part of their analysis, Applicants furnish dwell time benchmarks for each facility described and estimate what the expected dwell times will be after operational changes are implemented. Applicants also furnish on-time origination performance benchmarks for each facility described and estimate what the expected on-time origination performance will be after operational changes are implemented.

B. Principal Classification Yards and Major Terminals

62. The Board's rules require reporting on changes to operations of Applicants' "principal classification yards" and "major terminals." However, the Board's rules do not define the terms "principal classification yards" or "major terminals."

1. Principal Classification Yards

63. To respond to the Board's requirements regarding principal classification yards, Applicants identified manifest yards with more than 800 cars processed per day, as shown in the Operating Plan's Base Plan, and then added several yards to ensure all UP-to-NS gateways had a nearby yard subject to reporting.

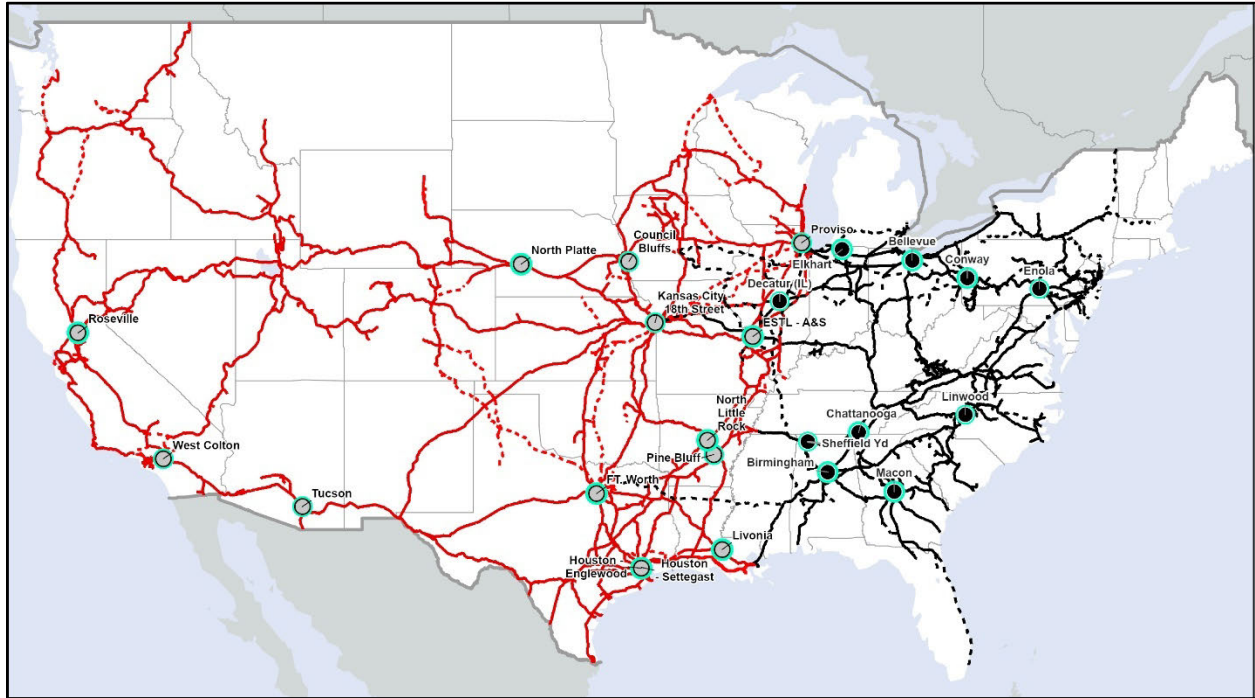
Applicants use the same yards for the benchmarking required by 49 C.F.R. § 1180.10(k)(2). Applicants list their principal classification yards for reporting purposes below in Table 2 and show the locations of those yards below in Figure 2.

Table 2¹⁷
Principal Classification Yards

UP Yards	Base Plan Cars/Day	NS Yards	Base Plan Cars/Day
North Little Rock, AR	2,260	Elkhart, IN	2,348
Englewood (Houston), TX	2,044	Moorman (Bellevue), OH	1,809
Gateway Yard (St Louis), IL	1,863	DeButts (Chattanooga), TN	1,673
Livonia, LA	1,812	Birmingham, AL	1,651
Ft. Worth, TX	1,656	Conway, PA	1,503
North Platte East, NE	1,408	Brosnan (Macon), GA	1,173
North Platte West, NE	1,404	Decatur (Incl. East Decatur), IL	1,169
Roseville, CA	1,404	Enola (Harrisburg), PA	881
Settegast (Houston), TX	1,185	Sheffield, AL	671
West Colton (Los Angeles), CA	1,086	Linwood, NC	451
Proviso (Chicago), IL	1,079		
Council Bluffs, IA	727		
18th St (Kansas City), KS	704		
Tucson, AZ	653		
Pine Bluff, AR	581		

¹⁷ See Workpaper “Consolidated Terminal Data.xlsx,” Tab “D.1.c Principal Class Yards.”

Figure 2: Locations of Principal Classification Yards



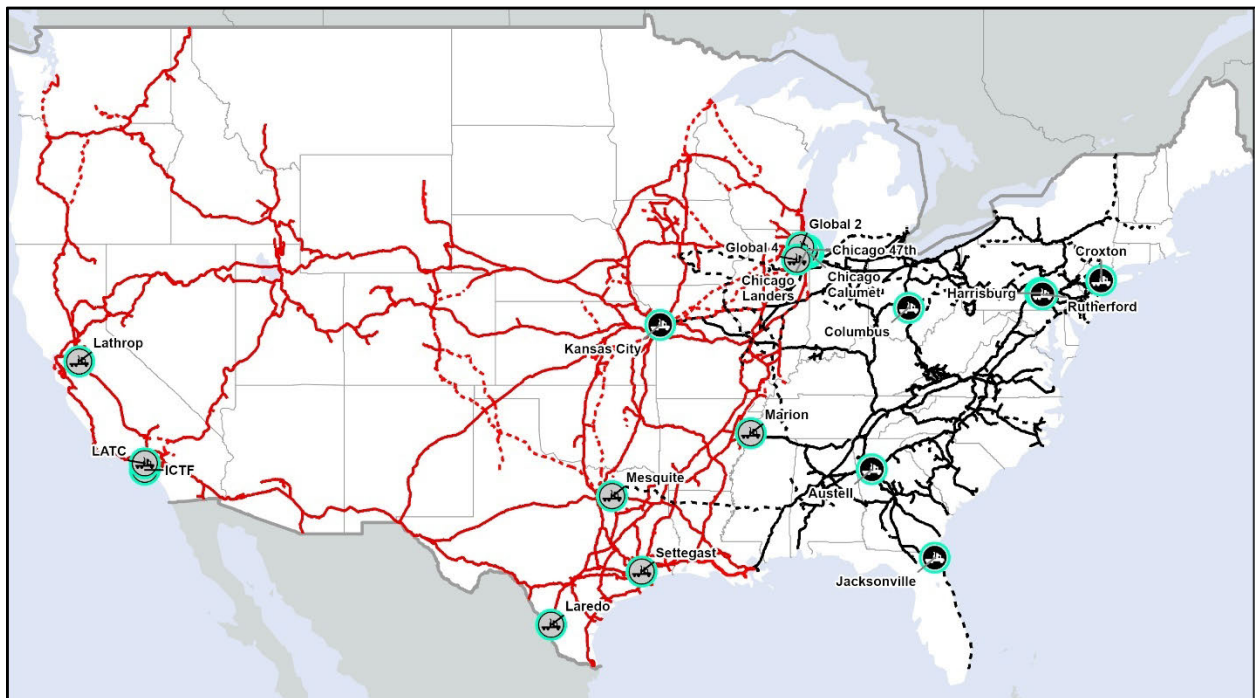
2. Major Intermodal Terminals

64. To respond to the Board's requirements regarding major intermodal terminals, Applicants identified intermodal terminals with more than 800 lifts per day, as shown in the Operating Plan's Base Plan, and then added several terminals projected to experience meaningful growth as a result of the transaction and to ensure coverage of all major UP-to-NS gateways. Applicants use the same terminals for the benchmarking required by 49 C.F.R. § 1180.10(k)(2). Applicants list their major intermodal terminals for reporting purposes below in Table 3 and show the locations of those terminals below in Figure 3.

Table 3¹⁸
Major Intermodal Terminals

UP Intermodal Terminals	Base Plan Lifts/Day	NS Intermodal Terminals	Base Plan Lifts/Day
Global 4 (Chicago), IL	1,945	47th St (Chicago), IL	1,269
Global 2 (Chicago), IL	1,381	Austell (Atlanta), GA	1,237
East Los Angeles, CA	1,065	Harrisburg, PA	953
Mesquite (Dallas), TX	821	Calumet (Chicago), IL	928
ICTF (Los Angeles), CA	817	Landers (Chicago), IL	876
Lathrop, CA	745	Croton (New York City), NJ	839
Marion (Memphis), AR	654	Rutherford (Harrisburg), PA	770
Port Laredo, TX	299	Rickenbacker (Columbus), OH	701
Settegast (Houston), TX	293	Voltz (Kansas City), MO	646
		Jacksonville, FL	640

Figure 3: Location of Major Intermodal Terminals



¹⁸ See Workpaper “Consolidated Terminal Data.xlsx,” Tab “D.1.c Major Intermodal Terminal.”

C. Changes to Operations of Principal Classification Yards and Major Intermodal Terminals

65. As discussed in the Operating Plan, Applicants' principal classification yard and intermodal terminal operations will change as a result of a combination of merger-related growth, changes to train and blocking plans, and yard and terminal consolidations. As described in the first part of the Service Assurance Plan, UP/NS will engage in a thorough change management process before implementing any of these changes to ensure they will not cause any degradation of service to customers.

1. Principal Classification Yards

66. Below in Tables 4 and 5, Applicants show the change in the projected number of cars per day between the Base Plan and the Growth Plan for the classification yards listed in Table 2.

Table 4¹⁹
Changes to Operations
Principal Classification Yards – UP

Yard	Base Plan Cars/day	Growth Plan Cars/day	Variance
North Little Rock, AR	2,260	2,336	75
Englewood (Houston), TX	2,044	2,456	412
Gateway Yard (St Louis), IL	1,863	2,149	286
Livonia, LA	1,812	2,035	223
Ft. Worth, TX	1,656	1,660	4
North Platte East, NE	1,408	1,577	169
North Platte West, NE	1,404	1,610	206
Roseville, CA	1,404	1,516	112
Settegast (Houston), TX	1,185	1,326	141
West Colton (Los Angeles), CA	1,086	1,047	(39)
Proviso (Chicago), IL	1,079	911	(168)
Council Bluffs, IA	727	856	129
18th St (Kansas City), KS	704	830	126
Tucson, AZ	653	679	26
Pine Bluff, AR	581	733	152

¹⁹ Workpaper “Consolidated Terminal Data.xlsx,” Tab “D.1.c Changes Class.”

Table 5²⁰
Changes to Operations
Principal Classification Yards – NS

Yard	Base Plan Cars/Day	Growth Plan Cars/Day	Variance
Elkhart, IN	2,348	2,408	60
Moorman (Bellevue), OH	1,809	2,026	216
DeButts (Chattanooga), TN	1,673	2,157	485
Birmingham, AL	1,651	1,884	233
Conway, PA	1,503	1,758	255
Brosnan (Macon), GA	1,173	1,360	187
Decatur (Incl. East Decatur), IL	1,169	1,357	188
Enola (Harrisburg), PA	881	1,018	137
Sheffield, AL	671	622	(49)
Linwood, NC	451	469	18

67. The projected traffic growth in these yards is the result of improved train and blocking patterns in the Optimized Plan and added traffic in the Growth Plan. For example, Livonia, North Little Rock, Chattanooga, and Gateway Yard are heavily used in the Optimized Plan to improve blocking for deeper network benefit. These changes, coupled with projected manifest traffic growth between Texas and the Gulf Coast, on the one hand, and the Ohio Valley and the Northeast, on the other hand, results in significant increases in volumes at these locations. Similarly, Bellevue is projected to experience increased traffic as a result of traffic growth between the Northeast and the Ohio Valley, on the one hand, and the Midwest and the West, on the other hand.

²⁰ See Workpaper “Consolidated Terminal Data.xlsx,” Tab “D.1.c Changes Class.”

68. As volume increases at these yards, and as traffic patterns evolve over time, UP/NS will continue to optimize its transportation plan with the goal of reducing handlings below the levels currently projected. UP/NS will also continue to evaluate the need for additional capital investment to accommodate traffic growth. However, Applicants' Operating Plan, including their capital improvement plan, which is described in detail in Part IV of this Service Assurance Plan, is designed to ensure their classification yards will have sufficient capacity to accommodate projected activity levels.

69. Applicants show the projected number of cars per day handled by their principal yards in the Growth Plan and the projected capacity of those yards after planned merger-related and non-merger-related investments below in Tables 6 and 7.

Table 6²¹
Growth Plan Cars per Day v. Capacity
Principal Classification Yards – UP

Yard	Growth Plan Cars/Day	Capacity Cars/Day	Variance
North Little Rock, AR	2,336	2,350	14
Englewood (Houston), TX	2,456	2,520	64
Gateway Yard (St Louis), IL	2,149	2,160	11
Livonia, LA	2,035	2,040	5
Ft. Worth, TX	1,660	1,910	250
North Platte East, NE	1,577	1,860	283
North Platte West, NE	1,610	1,780	170
Roseville, CA	1,516	2,040	524
Settegast (Houston), TX	1,326	1,690	364
West Colton (Los Angeles), CA	1,047	1,320	273
Proviso (Chicago), IL	911	990	79
Council Bluffs, IA	856	900	44
18th St (Kansas City), KS	830	870	40
Tucson, AZ	679	850	171
Pine Bluff, AR	733	1,000	267

²¹ See Workpaper “Consolidated Terminal Data.xlsx,” Tab “D.1.c Changes Class v Cap.”

Table 7²²
Growth Plan Cars per Day v. Capacity
Principal Classification Yards – NS

Yard	Growth Plan Cars/Day	Capacity Cars/Day	Variance
Elkhart, IN	2,408	2,620	212
Moorman (Bellevue), OH	2,026	2,130	104
DeButts (Chattanooga), TN	2,157	2,300	143
Birmingham, AL	1,884	2,080	196
Conway, PA	1,758	2,200	442
Brosnan (Macon), GA	1,360	1,820	460
Decatur (Incl. East Decatur), IL	1,357	1,500	143
Enola (Harrisburg), PA	1,018	1,130	112
Sheffield, AL	622	1,350	728
Linwood, NC	469	1,010	541

2. Major Intermodal Terminals

70. Below in Tables 8 and 9, Applicants show the change in the projected number of lifts per day between the Base Plan and the Growth Plan for the intermodal terminals listed in Table 3.

²² See Workpaper “Consolidated Terminal Data.xlsx,” Tab “D.1.c Changes Class v Cap.”

Table 8²³
Changes to Operations
Major Intermodal Terminals – UP

Intermodal Terminal	Base Plan Lifts/Day	Growth Plan Lifts/Day	Variance
Global 4 (Chicago), IL	1,945	1,773	(172)
Global 2 (Chicago), IL	1,381	1,826	445
East Los Angeles, CA	1,065	1,182	117
Mesquite (Dallas), TX	821	813	(9)
ICTF (Los Angeles), CA	817	819	2
Lathrop, CA	745	1,351	606
Marion (Memphis), AR	654	1,057	403
Port Laredo, TX	299	585	287
Settegast (Houston), TX	293	721	428

Table 9²⁴
Changes to Operations
Major Intermodal Terminals – NS

Intermodal Terminal	Base Plan Lifts/Day	Growth Plan Lifts/Day	Variance
47th St (Chicago), IL	1,269	1,640	371
Austell (Atlanta), GA	1,237	1,609	372
Harrisburg, PA	953	1,111	158
Calumet (Chicago), IL	928	827	(101)
Landers (Chicago), IL	876	823	(54)
Croxtton (New York City), NJ	839	1,122	283
Rutherford (Harrisburg), PA	770	976	206
Rickenbacker (Columbus), OH	701	948	247
Voltz (Kansas City), MO	646	709	63
Jacksonville, FL	640	655	14

²³ See Workpaper “Consolidated Terminal Data.xlsx,” Tab “D.1.c Changes Intm.”

²⁴ See *id.*

71. The projected traffic growth in these terminals primarily results from added traffic in the Growth Plan. For example, volume increases at Lathrop are driven by new traffic moving to the Northeast and Southeast from the West Coast. Volume increases at Croxton are driven by the portion of that new traffic moving to the Northeast. Volume increases at Settegast and Austell are driven by new traffic moving between Texas and the Southeast. Optimized train plans that eliminate UP-NS interchanges in the Chicago gateway will offset demand at Global 4. In addition, changes to train plans and terminal consolidations in the Optimized Plan contribute to traffic increases at 47th Street, Global 2, and Marion.

72. As volume increases at these terminals, and as traffic patterns evolve over time, UP/NS will continue to optimize its transportation plan to make efficient use of its intermodal facilities. UP/NS will also continue to evaluate the need for additional capital investment to accommodate traffic growth. However, Applicants' Operating Plan, including their capital improvements plan, which is described in detail in Part IV of this Service Assurance Plan, is designed to ensure their intermodal terminals will have sufficient capacity to accommodate projected activity levels.

73. Applicants show the projected number of lifts per day in their major intermodal terminals in the Growth Plan and the projected capacity of those terminals after merger-related and non-merger-related investments below in Tables 10 and 11.

Table 10²⁵
Growth Plan Lifts per Day v. Capacity
Major Intermodal Terminals – UP

Yard	Growth Plan Lifts/Day	Capacity Lifts/Day	Variance
Global 4 (Chicago), IL	1,773	2,679	905
Global 2 (Chicago), IL	1,826	2,060	234
East Los Angeles, CA	1,182	1,387	205
Mesquite (Dallas), TX	813	1,140	327
ICTF (Los Angeles), CA	819	1,648	829
Lathrop, CA	1,351	1,374	22
Marion (Memphis), AR	1,057	1,195	139
Port Laredo, TX	585	687	101
Settegast (Houston), TX	721	989	268

Table 11²⁶
Growth Plan Lifts per Day v. Capacity
Major Intermodal Terminals – NS

Yard	Growth Plan Lifts/Day	Capacity Lifts/Day	Variance
47th St (Chicago), IL	1,640	1,912	272
Austell (Atlanta), GA	1,609	2,091	482
Harrisburg, PA	1,111	1,266	155
Calumet (Chicago), IL	827	1,085	258
Landers (Chicago), IL	823	1,448	625
Croxtton (New York City), NJ	1,122	1,154	32
Rutherford (Harrisburg), PA	976	1,115	140
Rickenbacker (Columbus), OH	948	1,129	182
Voltz (Kansas City), MO	709	890	181
Jacksonville, FL	655	832	178

²⁵ See Workpaper “Consolidated Terminal Data.xlsx,” Tab “D.1.c Growth v Cap.”

²⁶ See *id.*

D. Dwell Time and On-Time Origination Performance Benchmarks

74. In accordance with the benchmarking requirements in 49 C.F.R. § 1180.10(k), Applicants developed dwell time and on-time origination performance benchmarks for their principal classification yards and major intermodal terminals. Specifically, Applicants used the 36 monthly periods immediately preceding the filing date of the notice of intent to file the original Application as the benchmarking period (that is, July 2022 through June 2025). In this Amended Application, Applicants are providing benchmarking data through December 2025.

1. Principal Classification Yards

75. Applicants provide dwell time and on-time origination performance benchmarks for their principal classification yards in Electronic Appendix V.²⁷ Applicants show the expected post-merger ranges of those benchmarks below in Table 12.

²⁷ See Workpaper “System, Yard, and Terminal Benchmarking Matrix.xlsx,” Tab “Yard and Terminal Matrix.”

Table 12²⁸
Dwell Time and On-Time Origination Performance Ranges
Principal Classification Yards

Yard	Benchmark Dwell Range	Benchmark On-Time Origination Performance Range
North Little Rock, AR	20hrs-26hrs	40%-90%
Englewood (Houston), TX	20hrs-26hrs	40%-90%
Gateway Yard (St Louis), IL	20hrs-26hrs	40%-90%
Livonia, LA	20hrs-26hrs	40%-90%
Ft. Worth, TX	20hrs-26hrs	40%-90%
North Platte East, NE	20hrs-26hrs	40%-90%
North Platte West, NE	20hrs-26hrs	40%-90%
Roseville, CA	20hrs-26hrs	40%-90%
Settegast (Houston), TX	20hrs-26hrs	40%-90%
West Colton (Los Angeles), CA	20hrs-26hrs	40%-90%
Proviso (Chicago), IL	20hrs-26hrs	40%-90%
Council Bluffs, IA	20hrs-26hrs	40%-90%
18th St (Kansas City), KS	20hrs-26hrs	40%-90%
Tucson, AZ	20hrs-26hrs	40%-90%
Pine Bluff, AR	20hrs-26hrs	40%-90%
Elkhart, IN	26hrs-32hrs	25%-75%
Moorman (Bellevue), OH	26hrs-32hrs	25%-75%
DeButts (Chattanooga), TN	26hrs-32hrs	25%-75%
Birmingham, AL	26hrs-32hrs	25%-75%
Conway, PA	26hrs-32hrs	25%-75%
Brosnan (Macon), GA	26hrs-32hrs	25%-75%
Decatur (Incl. East Decatur), IL	26hrs-32hrs	25%-75%
Enola (Harrisburg), PA	26hrs-32hrs	25%-75%
Sheffield, AL	26hrs-32hrs	25%-75%
Linwood, NC	26hrs-32hrs	25%-75%

²⁸ See Workpaper “Consolidated Terminal Data.xlsx,” Tab “D.1.c Class Ranges.”

76. Applicants do not expect dwell times in their principal classification yards to change substantially as a result of the revised operations reflected in the Growth Plan. Applicants will ensure their classification yards have sufficient capacity such that dwell times should not deteriorate as a result of merger-related traffic growth. Applicants expect that dwell times in legacy UP classification yards will range between 20 and 26 hours under typical operating conditions, and dwell times in legacy NS classification yards will range between 26 and 32 hours under typical operating conditions. As discussed in the contingency planning portion of the Service Assurance Plan, Applicants will activate their contingency plans for the yards addressed in those plans if dwell times rise above 29 hours for legacy UP yards and 36 hours for legacy NS yards after the revised operating plans reflected in the Growth Plan are implemented. Applicants discuss the reasons for selecting those thresholds in the contingency planning portion of the Service Assurance Plan. *See* Section IX.E.

77. Applicants do not expect on-time origination performance in their principal classification yards to change substantially as a result of the revised operations reflected in the Growth Plan. Applicants will ensure their principal classification yards have sufficient capacity such that on-time performance should not deteriorate as a result of merger-related traffic growth. Applicants expect that on-time performance in legacy UP classification yards will remain between 40 and 90 percent, and on-time performance in legacy NS classification yards will remain between 25 and 75 percent, after the revised operations reflected in the Growth Plan are implemented.

2. Major Intermodal Terminals

78. Applicants provide dwell time benchmarks and on-time origination performance benchmarks for their major intermodal terminals in Electronic Appendix V.²⁹ Applicants show the expected post-merger ranges of those benchmarks below in Table 13.

²⁹ See Workpaper “System, Yard, and Terminal Benchmarking Matrix.xlsx,” Tab “Yard and Terminal Matrix.”

Table 13³⁰
Dwell Time and On-Time Origination Performance Ranges
Major Intermodal Terminals (bold indicates international or mixed ramp)

Yard	Benchmark Terminal Arrival to Van Ground ("TA-VG") Range	Benchmark On-Time Origination Performance Range
Global 4 (Chicago), IL	6hrs to 18hrs	70%-95%
Global 2 (Chicago), IL	5hrs to 9hrs	70%-95%
East Los Angeles, CA	5hrs to 9hrs	70%-95%
Mesquite (Dallas), TX	5hrs to 9hrs	70%-95%
ICTF (Los Angeles), CA	6hrs to 18hrs	70%-95%
Lathrop, CA	5hrs to 9hrs	70%-95%
Marion (Memphis), AR	5hrs to 9hrs	70%-95%
Port Laredo, TX	5hrs to 9hrs	70%-95%
Settegast (Houston), TX	5hrs to 9hrs	70%-95%
47th St (Chicago), IL	5hrs to 9hrs	70%-95%
Austell (Atlanta), GA	6hrs to 18hrs	70%-95%
Harrisburg, PA	5hrs to 9hrs	70%-95%
Calumet (Chicago), IL	6hrs to 18hrs	70%-95%
Landers (Chicago), IL	5hrs to 9hrs	70%-95%
Croxtan (New York City), NJ	6hrs to 18hrs	70%-95%
Rutherford (Harrisburg), PA	5hrs to 9hrs	70%-95%
Rickenbacker (Columbus), OH	6hrs to 18hrs	70%-95%
Voltz (Kansas City), MO	6hrs to 18hrs	70%-95%
Jacksonville, FL	6hrs to 18hrs	70%-95%

79. Applicants do not expect dwell times in their major intermodal terminals to change substantially as a result of the revised operations reflected in the Growth Plan. Applicants will ensure their intermodal terminals have sufficient capacity such that dwell times should not deteriorate as a result of merger-related

³⁰ See Workpaper "Consolidated Terminal Data.xlsx," Tab "D.1.c Intm Ranges."

traffic growth. Applicants expect that dwell times at terminals primarily or exclusively handling domestic intermodal traffic will remain between 5 and 9 hours, and dwell times at terminals primarily or exclusively handling international intermodal traffic will remain between 6 and 18 hours, after the revised operations reflected in the Growth Plan are implemented. However, as discussed in more detail in the benchmarking section of this Service Assurance Plan, intermodal terminal dwell times depend significantly on the timely performance by third parties to retrieve and remove containers and trailers from yards, and therefore they provide a poor measure of railroad service performance.

80. Applicants do not expect on-time origination performance in their major intermodal terminals to change substantially as a result of the revised operations reflected in the Growth Plan. Applicants will ensure their intermodal terminals have sufficient capacity such that on-time performance should not deteriorate as a result of merger-related traffic growth. Applicants expect that on-time performance in legacy UP and NS intermodal terminals will remain between 70 and 95 percent after the revised operations reflected in the Growth Plan are implemented.

IV. Infrastructure Improvements – Capital Improvement Plan

A. Capital Improvements Critical to Integrating UP and NS

81. As discussed in the Operating Plan, Applicants' combined network has sufficient capacity to accommodate the traffic flows projected in the Optimized Plan. Applicants have not identified any potential infrastructure impediments to the timely integration of UP and NS.

B. Capital Improvements to Handle Projected Growth

82. As also discussed in the Operating Plan, Applicants have planned extensive capital improvements to main lines and yard and terminal facilities on the combined UP/NS network that are projected to experience merger-related traffic growth. These investments will allow the combined railroad to accommodate anticipated traffic growth while also improving safety and service quality.

83. In the sections below, Applicants describe their plans to invest on main lines and in yard and terminal facilities to accommodate the traffic flows projected in the Growth Plan. The investments described below include two types of projects: (1) merger-related investments—projects Applicants planned specifically to address anticipated merger-related growth, and (2) pre-merger investments—projects UP or NS was advancing prior to its agreement to merge. Applicants are not including the second category of projects in their calculations of merger-related capital investment.³¹

1. Main Line Capacity Improvements

84. Applicants plan to invest approximately \$480 million (in 2023 dollars) in projects to increase main line capacity on the combined network.³² The locations of the planned projects are shown below in Figure 4.

³¹ In describing expected project completion dates, Applicants refer to the actual year in which UP or NS plans to complete the projects when discussing pre-merger projects, and the number of years following merger approval for post-merger projects (*i.e.*, “Year 1,” “Year 2,” “Year 3”).

³² See Janke VS Workpaper “Synergies Transportation - Operating.xlsx,” Tab “Capital Investment,” Cell H83. Planned investments are stated in 2023 dollars because 2023 is the year used for the impact analysis in this transaction. Applicants’

Figure 4: Merger-Related Main Line Capacity Projects



a. Main Line Projects on the UP Network

85. Applicants are planning merger-related investments to increase main line capacity on two routes on the legacy UP network: (1) the Sunset route between Los Angeles and El Paso, and (2) the Golden State route between El Paso and Kansas City. UP also has plans underway to increase capacity on its DeQuincy Subdivision that will help accommodate traffic flows projected in the Growth Plan. These investments are described in the next paragraphs.

workpapers show investments in 2025 dollars to avoid the need for numerous separate conversions to 2023 dollars.

86. *Sunset Route Projects.* UP’s Sunset route runs between Los Angeles and New Orleans. In the Growth Plan, Applicants project that the number of trains on the Sunset route between West Colton, California, and El Paso, Texas, will increase by 6 trains per day, which would exceed the route’s current fluid capacity. However, UP had a pre-merger plan to construct two new double-track segments on the route and had developed plans to further increase capacity as warranted. To accommodate merger-related growth, Applicants plan to make the next investment on UP’s list: a new double-track segment connecting the Mohawk and Stoval sidings. The location of the post-merger project is shown in Figure 5, and the projects are summarized below. Together, these projects will increase the Sunset route’s fluid capacity between West Colton and El Paso well above planned train counts.³³

³³ See Workpaper “UP Sunset Corridor Capacity Projects.pdf” at 2–3.

Figure 5: Sunset Route Projects



- Pre-Merger Investment:
 - Yuma to Fortuna Double Track (Gila Subdivision MP 737.3 to 742.9). Applicants plan to construct a segment of new double track between East Yard near Yuma and Fortuna on the Gila Subdivision. Applicants expect to complete this project in 2027.³⁴
 - Bosque to Shawmut Double Track and Set-Out Track (Gila Subdivision MP 862.1 to 870.8, MP 890.8). Applicants plan to construct a segment of new double track between Bosque and Shawmut on the Gila Subdivision. The project also includes new set-out track on the Gila Subdivision. Applicants expect to complete this project in 2027.³⁵
- Merger-Related Investment:
 - Mohawk to Stoval Double Track (Gila Subdivision MP 795.9 to 801.9). Applicants plan to construct a segment of new double

³⁴ See *id.* at 11.

³⁵ See *id.* at 12.

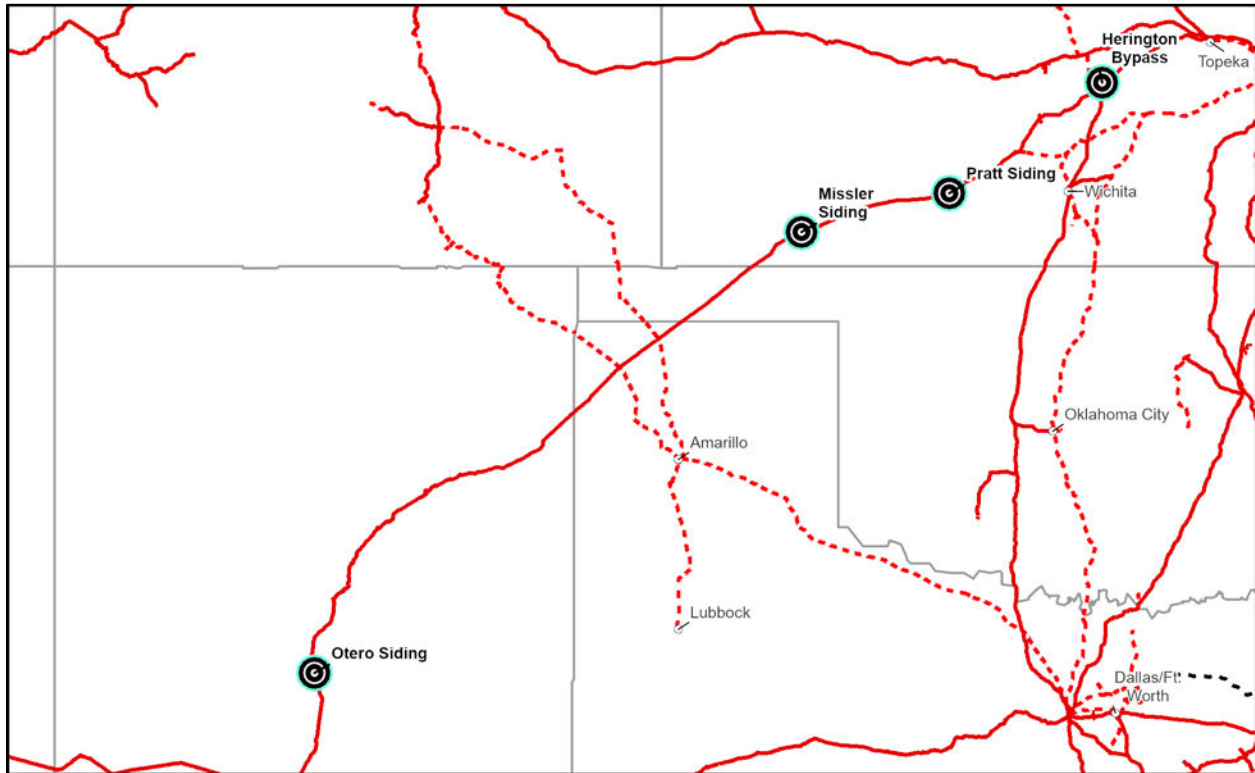
track between Mohawk and Stoval on the Gila Subdivision. Applicants estimate this project will cost \$34.1 million and be completed by the end of Year 2.³⁶

87. *Golden State Route Projects.* UP’s Golden State route runs between El Paso, Texas, and Kansas City, Missouri. In the Growth Plan, Applicants project that the number of 14,000-foot trains moving over the Golden State route will increase from 9 per day to 12 per day, which would exceed the route’s current fluid capacity. However, UP had a pre-merger plan to construct a new lead track in its Herington Yard to increase capacity on the route. To accommodate merger-related growth, Applicants plan to make a series of additional investments, primarily involving extensions to existing sidings. The locations of the post-merger projects are shown in Figure 6, and the pre- and post-merger projects are summarized below. Together, these projects will allow the Golden State route to accommodate the projected increase in 14,000-foot trains.³⁷

³⁶ See *id.* at 8; see also Janke VS Workpaper “Synergies Transportation - Operating.xlsx,” Tab “Capital Investment,” Cell H16.

³⁷ See Workpaper “UP Golden State Corridor Capacity Projects.pdf” at 2–3 (total trains) and 4–5 (14,000-foot trains).

Figure 6: Golden State Route Projects



- Pre-Merger Investment: In 2026, UP plans to begin construction on a preexisting capacity improvement project.
- Herington South Lead (Topeka Subdivision and Herington Subdivision MP 171.9 to 174). Applicants plan to construct a segment of new lead track into Herington Yard. This project will reduce congestion in and out of Herington Yard and help traffic flow through the Herington Subdivision. Applicants expect to complete this project by the end of 2026.³⁸
- Merger-Related Investment:
 - Otero Siding Extension (Carrizozo Subdivision MP 862.9 to 864.1). Applicants plan to extend the existing Otero siding on the Carrizozo Subdivision from 8,976 feet to over 15,000 feet.

³⁸ See *id.* at 23.

Applicants expect that this project will cost \$11.2 million and be completed by the end of Year 1.³⁹

- Missler Siding Extension (Pratt Subdivision MP 393.7 to 395.9). Applicants plan to extend the existing Missler siding on the Pratt Subdivision from 8,875 feet to over 15,000 feet. Applicants estimate this project will cost \$18.9 million and be completed by the end of Year 1.⁴⁰
- Herington Yard Bypass (Topeka Subdivision MP 169.5 to 171.8). Applicants plan to construct an additional bypass lane through Herington Yard. The new lane will provide an additional route through the potential bottleneck at Herington and improve fluidity along the Golden State mainline. The combined railroad could also utilize the fast track as needed for additional yard capacity. Applicants estimate this project will cost \$19.7 million and be completed by the end of Year 2.⁴¹
- Pratt Siding Extension (Herington Subdivision MP 294.5 to 296.1). Applicants plan to extend the existing Pratt siding on the Herington Subdivision from 9,219 feet to over 15,000 feet. Applicants estimate this project will cost \$13.3 million and be completed by the end of Year 3.⁴²

88. *DeQuincy Subdivision Projects.* UP's DeQuincy Subdivision runs between DeQuincy, Louisiana, and Livonia, Louisiana. In the Growth Plan, Applicants project the number of trains operating, including 10,000-foot trains, would exceed the subdivision's current fluid capacity. However, UP had a pre-merger plan

³⁹ See *id.* at 1, 8; see also Janke VS Workpaper "Synergies Transportation - Operating.xlsx," Tab "Capital Investment," Cell H17.

⁴⁰ See Workpaper "UP Golden State Corridor Capacity Projects.pdf" at 1, 9; see also Janke VS Workpaper "Synergies Transportation - Operating.xlsx," Tab "Capital Investment," Cell H18.

⁴¹ See Workpaper "UP Golden State Corridor Capacity Projects.pdf" at 10; see also Janke VS Workpaper "Synergies Transportation - Operating.xlsx," Tab "Capital Investment," Cell H19.

⁴² See Workpaper "UP Golden State Corridor Capacity Projects.pdf" at 1, 11; see also Janke VS Workpaper "Synergies Transportation - Operating.xlsx," Tab "Capital Investment," Cell H20.

to extend the Lawtell Siding, an existing siding on the subdivision, which will create sufficient capacity to accommodate traffic levels projected in the Growth Plan.⁴³ Applicants expect to complete the new siding in 2027.⁴⁴

b. Main Line Projects on the NS Network

89. Applicants are planning merger-related investments to increase main line capacity on three portions of the legacy NS network: (1) the corridor between Kansas City, Missouri, and Butler, Indiana, (2) the corridor between New Orleans, Louisiana, and Atlanta, Georgia, and (3) the corridor between Princeton, Indiana and Louisville, Kentucky. NS also has plans to improve a fourth corridor: to implement merger-related investments to improve operational fluidity by transitioning signaling technology on the legacy NS corridor between Cleveland, Ohio, and Harrisburg, Pennsylvania. Finally, NS also has pre-merger plans underway to increase capacity on its 3B Subdivision between Burstall, Alabama, and Mobile, Alabama, which will help accommodate traffic flows projected in the Growth Plan. These investments are described in the next paragraphs.

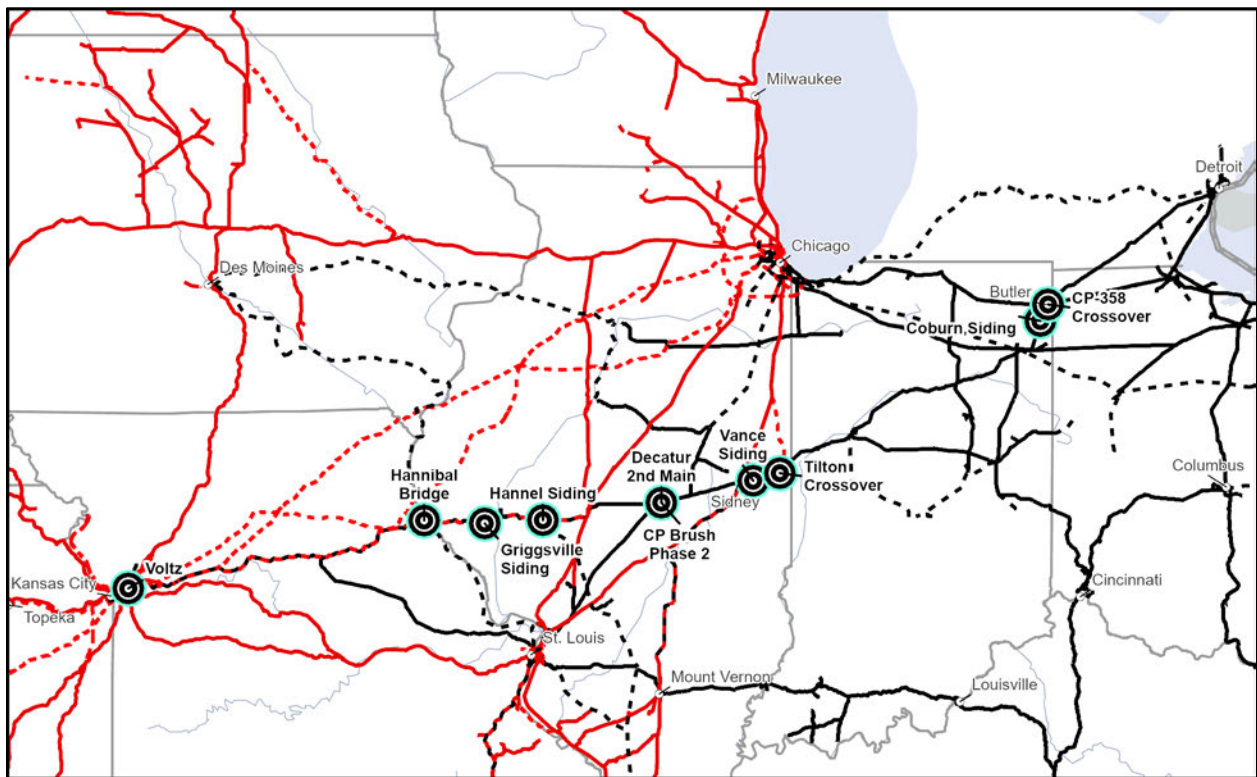
90. *Kansas City to Butler Corridor Projects.* Kansas City to Butler corridor is an important link on the combined network’s route between Southern California and the Ohio Valley and the Northeast. Under the Optimized Plan, train volumes between Kansas City and Voltz increase by 1 to 2 train starts per day, and 2 to 3 train starts per day between Voltz and Butler. Under the Growth Plan, train starts are

⁴³ See Workpaper “UP DeQuincy Subdivision Capacity Projects.pdf” at 3–4 (total trains), 5–6 (10,000-foot trains), and 9 (Lawtell Siding plan).

⁴⁴ See *id.* at 9.

reduced by up to 1 train start per day between Kansas City and Voltz, and increased by 4 to 9 train starts per day between Voltz and Butler. (The variance in train counts is driven by the fact that the corridor has many entry and exit points.) Applicants are planning a series of upgrades to accommodate volume growth, reduce transit times, and allow operations consistent with the combined company’s train-length strategy. The locations of the post-merger projects are shown in Figure 7, and the pre- and post-merger projects are summarized below. Together, these projects will allow the combined railroad to provide the service described in the Growth Plan.⁴⁵

Figure 7: Kansas City to Butler Corridor Projects



⁴⁵ See Workpaper “NS - Corridor Infrastructure.pdf” at 3–10.

- Pre-Merger Investment:
 - CP Brush Phase I (Lafayette Subdivision MP D373). NS has begun constructing a new connecting track between the yard leads and Main 2 at Brush Interlocking. This project will provide important connectivity for originating and terminating trains, trains that are working the yard, and yard movements. The project also includes signaling needed to interface the new track to the Centralized Traffic Control (“CTC”) system. Applicants expect this project to be completed by the end of 2026.⁴⁶
- Merger-Related Investment:
 - UP connection at West MC (Voltz) (Kansas City Subdivision MP S265.9 to S266.7). Applicants plan to upgrade the existing NS-UP connection at West MC. This project will support increased speeds of 30 mph (from 10 mph) and will include a crossover between NS main lines to allow a progressive move to/from either NS main line track to the UP main line track at the connection point. This will enable fluid connectivity to UP and route trains through the Kansas City complex via the UP Trenton Subdivision and KCT. Applicants estimate this project will cost \$6.8 million and be completed by the end of Year 2.⁴⁷
 - Positive Train Control (“PTC”) Installation (Kansas City Subdivision MP S212.9 to S148.5; Springfield-Hannibal Subdivision MP H0.0 to H69.9; Springfield Subdivision MP DH466.0 to DH515.5). Applicants plan to install PTC on the district between Wabash Junction and Bluffs, a distance of 183.8 miles. Applicants estimate this project will cost \$19.5 million and be completed by the end of Year 3.⁴⁸
 - Hannibal Bridge Speed Upgrade (Springfield-Hannibal Subdivision MP DH513.9 to DH515.2). Applicants plan to

⁴⁶ See Workpaper “NS Infrastructure Planned Table.xlsx,” Tab “Line Capacity Projects,” Row 31.

⁴⁷ See Workpaper “NS Infrastructure Planned Table.xlsx,” Tab “Line Capacity Projects,” Row 4; Workpaper “NS_Corridor_Infrastructure_Project_Report.pdf” at 5; *see also* Janke VS Workpaper “Synergies Transportation - Operating.xlsx,” Tab “Capital Investment,” Cell H32.

⁴⁸ See Workpaper “NS Infrastructure Planned Table.xlsx,” Tab “Line Capacity Projects,” Row 5; *see also* Janke VS Workpaper “Synergies Transportation - Operating.xlsx,” Tab “Capital Investment,” Cell H33.

increase superelevation to approximately two inches for approximately 1.1 miles to support an increased speed over the bridge to 20 mph (from 10 mph). Applicants estimate this project will cost \$2.4 million and be completed by the end of Year 2.⁴⁹

- Griggsville Siding Extension (Springfield-Hannibal Subdivision MP DH479.0 to DH482.3). Applicants plan to upgrade and extend the existing siding at Griggsville to a clear length exceeding 15,000 feet. The project will include constructing 1.45 miles of new siding track, upgrading existing siding track to accommodate speeds of 40 mph (from 25 mph), and upgrading turnouts to #20s. Applicants estimate this project will cost \$11.6 million and be completed by the end of Year 3.⁵⁰
- Hannel Siding Extension (Springfield-Hannibal Subdivision MP DH439.7 to DH443.5). Applicants plan to upgrade and extend the existing siding at Hannel to a clear length of more than 15,000 feet. The project will include constructing one mile of new siding track, upgrading existing siding track to accommodate speeds of 40 mph (from 25 mph), and upgrading turnouts to #20s. Applicants estimate this project will cost \$10.6 million and be completed by the end of Year 3.⁵¹
- Decatur Double Track (Lafayette Subdivision MP D374.1 to D375.3). Applicants plan to construct one mile of new double track between Wabic (D375.3) and 22nd Street (D374.1) at Decatur. The project will include road access for possible fueling and inspection events. This project, in conjunction with the CP Brush Phase II project discussed below, replaces two single track sections with 23 miles of continuous double track. Applicants

⁴⁹ See Workpaper “NS Infrastructure Planned Table.xlsx,” Tab “Line Capacity Projects,” Row 6; Workpaper “NS_Corridor_Infrastructure_Project_Report.pdf” at 8; *see also* Janke VS Workpaper “Synergies Transportation - Operating.xlsx,” Tab “Capital Investment,” Cell H36.

⁵⁰ See Workpaper “NS Infrastructure Planned Table.xlsx,” Tab “Line Capacity Projects,” Row 7; Workpaper “NS_Corridor_Infrastructure_Project_Report.pdf” at 10; *see also* Janke VS Workpaper “Synergies Transportation - Operating.xlsx,” Tab “Capital Investments,” Cell H37.

⁵¹ See Workpaper “NS Infrastructure Planned Table.xlsx,” Tab “Line Capacity Projects,” Row 8; Workpaper “NS_Corridor_Infrastructure_Project_Report.pdf” at 13; *see also* Janke VS Workpaper “Synergies Transportation - Operating.xlsx,” Tab “Capital Investment,” Cell H38.

estimate this project will cost \$11.9 million and be completed by the end of Year 3.⁵²

- CP Brush Phase II (Lafayette Subdivision MP D372.0 to D372.8). This project is additive to the pre-existing (non-merger related) East Decatur CP Brush Phase I project and will reconfigure CP Brush. This CP Brush Phase II project, in conjunction with the Decatur Double Track project described above, will replace two single track sections with 23 miles of continuous double track. Applicants estimate this project will cost \$16.9 million and be completed by the end of Year 3.⁵³
- Vance Siding Extension (Lafayette Subdivision MP D318.0 to D321.1). Applicants plan to upgrade and extend the siding at Vance, Illinois, to a clear length of 15,000 feet. This project will include constructing 1.7 miles of new siding track, upgrading existing track to accommodate speeds of 40 mph (from 25 mph), and upgrading turnouts to #20s. Applicants estimate this project will cost \$15.8 million and be completed by the end of Year 3.⁵⁴
- Eldon to Ross Lane CTC Upgrade and Tilton Universal Crossover (Lafayette Subdivision MP D296.4 to D305.7). Applicants plan to convert 9.3 miles of Rule 93/directional double track to CTC at Tilton Yard. The project will include #20 universal crossovers just east of Tilton Yard at MP D302.5 to MP D302.8. Applicants estimate this project will cost \$10.2 million and be completed by the end of Year 2.⁵⁵

⁵² See Workpaper “NS Infrastructure Planned Table.xlsx,” Tab “Line Capacity Projects,” Row 9; Workpaper “NS_Corridor_Infrastructure_Project_Report.pdf” at 15; *see also* Janke VS Workpaper “Synergies Transportation - Operating.xlsx,” Tab “Capital Investment,” Cell H40.

⁵³ See Workpaper “NS Infrastructure Planned Table.xlsx,” Tab “Line Capacity Projects,” Row 10; Workpaper “NS_Corridor_Infrastructure_Project_Report.pdf” at 18; *see also* Janke VS Workpaper “Synergies Transportation - Operating.xlsx,” Tab “Capital Investment,” Cell H41.

⁵⁴ See Workpaper “NS Infrastructure Planned Table.xlsx,” Tab “Line Capacity Projects,” Row 11; Workpaper “NS_Corridor_Infrastructure_Project_Report.pdf” at 20; *see also* Janke VS Workpaper “Synergies Transportation - Operating.xlsx,” Tab “Capital Investment,” Cell H42.

⁵⁵ See Workpaper “NS Infrastructure Planned Table.xlsx,” Tab “Line Capacity Projects,” Rows 12, 13; Workpaper “NS_Corridor_Infrastructure_Project_Report.pdf”

- Coburn Siding Extension (Detroit-Huntington Subdivision MP D122.8 to D126.3). Applicants plan to upgrade and extend the existing siding at Coburn to a clear length of more than 15,000 feet. The project will include constructing 1.7 new miles of siding track, upgrading existing track to accommodate speeds of 40 mph (from 25 mph), and upgrading turnouts to #20s. Applicants estimate this project will cost \$16.3 million and be completed by the end of Year 3.⁵⁶
- CP-358 Crossover (Toledo West Subdivision MP CD358.3). Applicants plan to construct a #20 LH powered crossover within CP-358 on the Chicago Line, which is on the NS Premier Corridor section between Elkhart, Indiana, and Toledo, Ohio. Applicants estimate this project will cost \$4.6 million and be completed by the end of Year 2.⁵⁷

91. *New Orleans to Atlanta Corridor Projects.* NS's New Orleans to Atlanta corridor is an important link on NS's network connecting the Southeast to UP's routes to and from South Texas. Under the Optimized Plan, train volumes on this corridor are flat on the Back Belt, reduced by 3 train starts per day between New Orleans and Meridian, Mississippi, and increased by as many as 2 train starts per day between Meridian and Austell, Georgia. Under the Growth Plan, train starts increase by 8 per day on the Back Belt, 3 per day between New Orleans and Meridian, and 8 to 10 per day between Meridian and Austell. Applicants are planning a series of investments

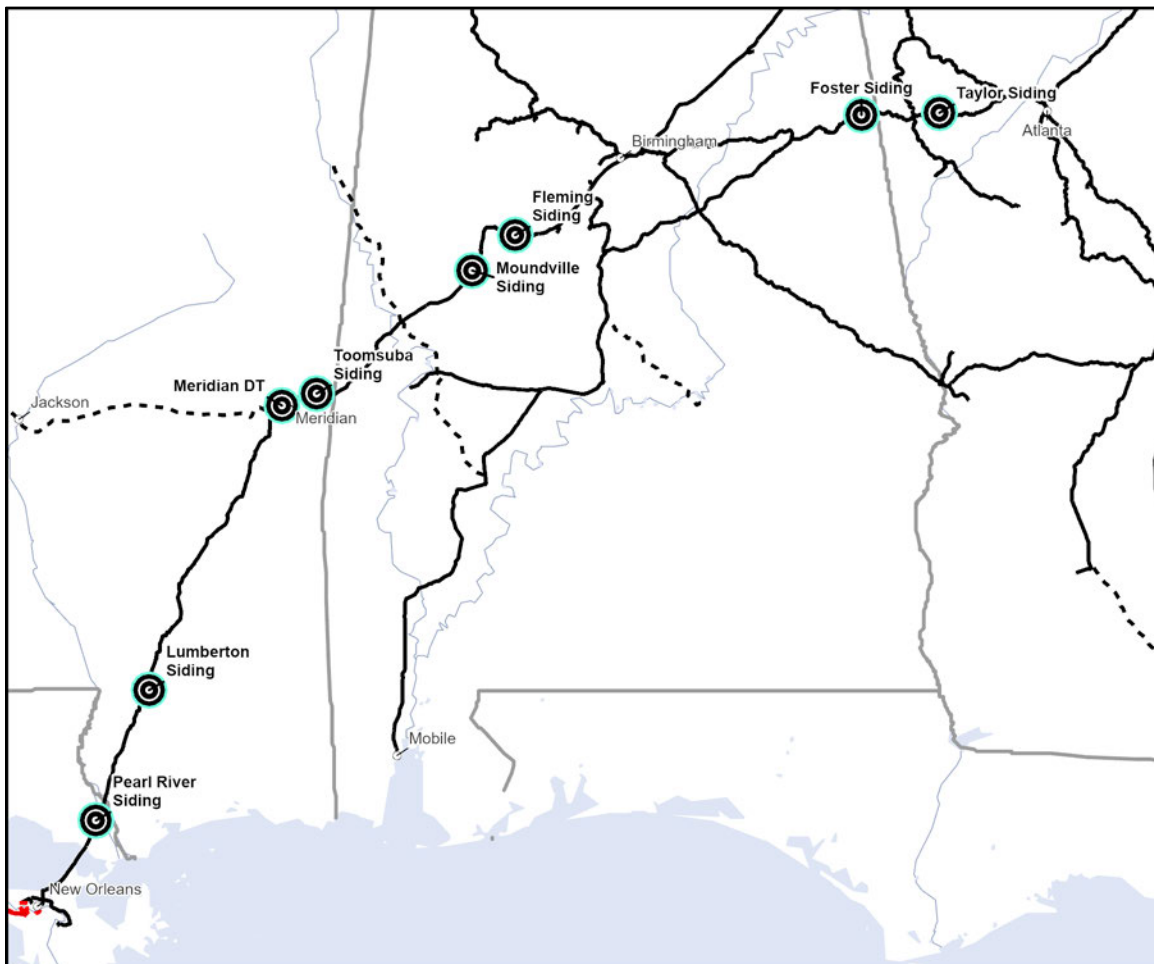
at 23–24; *see also* Janke VS Workpaper “Synergies Transportation - Operating.xlsx,” Tab “Capital Investment,” Cells H43 and H44.

⁵⁶ *See* Workpaper “NS Infrastructure Planned Table.xlsx,” Tab “Line Capacity Projects,” Row 14; Workpaper “NS_Corridor_Infrastructure_Project_Report.pdf” at 26; *see also* Janke VS Workpaper “Synergies Transportation - Operating.xlsx,” Tab “Capital Investment,” Cell H45.

⁵⁷ *See* Workpaper “NS Infrastructure Planned Table.xlsx,” Tab “Line Capacity Projects,” Row 15; Workpaper “NS_Corridor_Infrastructure_Project_Report.pdf” at 29; *see also* Janke VS Workpaper “Synergies Transportation - Operating.xlsx,” Tab “Capital Investment,” Cell H46.

to accommodate the projected volume growth. The locations of the projects are shown in Figure 8, and the projects are summarized below. Together, these projects will allow the combined railroad to provide the service described in the Growth Plan.⁵⁸

Figure 8: New Orleans to Atlanta Corridor Projects



- Merger-Related Investment:
 - Pearl River New Siding (NO&NE Subdivision MP NO161.2 to NO164.3). Applicants plan to construct a new siding (south of the existing siding at Pearl River) to a clear length of 14,000 feet. The project will include constructing 3.0 miles of new siding track, able to accommodate speeds of 40 mph with #20 turnouts. This segment of track will also be upgraded to CTC. Applicants

⁵⁸ See Workpaper “NS - Corridor Infrastructure.pdf” at 15–26.

estimate this project will cost \$19.4 million and be completed by the end of Year 3.⁵⁹

- Lumberton Siding Extension (NO&NE Subdivision MP NO112.1 to NO115.5). Applicants plan to upgrade and extend the siding at Lumberton to a clear length of more than 15,000 feet. The project will include constructing 1.7 miles of new siding track, upgrading the passing siding to accommodate speeds of 40 mph (from 15 mph), and replacing the existing spring switches with #20-power/dispatcher-controlled switches at each end of the siding. This segment of track will also be upgraded to CTC. Applicants estimate this project will cost \$22.0 million and be completed by the end of Year 3.⁶⁰
- North End Meridian Double Track (Birmingham Subdivision MP AG289.8 to AG292.7). Applicants plan to extend the Meridian double track north from CP Breyer by constructing 2.9 miles of new track. Applicants estimate this project will cost \$28.6 million and be completed by the end of Year 3.⁶¹
- Toomsuba Siding Extension (Birmingham Subdivision MP AG278.7 to AG282.2). Applicants plan to upgrade and extend the siding at Toomsuba to a clear length exceeding 15,000 feet. The project will include constructing 1.5 miles of new siding track and upgrading the existing track to accommodate speeds of 40 mph (from 15 mph). Applicants estimate this project will cost \$23.3 million and be completed by the end of Year 3.⁶²

⁵⁹ See Workpaper “NS Infrastructure Planned Table.xlsx,” Tab “Line Capacity Projects,” Row 16; Workpaper “NS_Corridor_Infrastructure_Project_Report.pdf” at 31; *see also* Janke VS Workpaper “Synergies Transportation - Operating.xlsx,” Tab “Capital Investment,” Cell H47.

⁶⁰ See Workpaper “NS Infrastructure Planned Table.xlsx,” Tab “Line Capacity Projects,” Row 17; Workpaper “NS_Corridor_Infrastructure_Project_Report.pdf” at 33; *see also* Janke VS Workpaper “Synergies Transportation - Operating.xlsx,” Tab “Capital Investment,” Cell H48.

⁶¹ See Workpaper “NS Infrastructure Planned Table.xlsx,” Tab “Line Capacity Projects,” Row 18; Workpaper “NS_Corridor_Infrastructure_Project_Report.pdf” at 36; *see also* Janke VS Workpaper “Synergies Transportation - Operating.xlsx,” Tab “Capital Investment,” Cell H49.

⁶² See Workpaper “NS Infrastructure Planned Table.xlsx,” Tab “Line Capacity Projects,” Row 19; Workpaper “NS_Corridor_Infrastructure_Project_Report.pdf” at

- Moundville Siding Extension (Birmingham Subdivision MP AG213.2 to AG216.6). Applicants plan to upgrade and extend the siding at Moundville to a clear length exceeding 15,000 feet. The project will include constructing 1.7 miles of new siding track, upgrading the existing siding to accommodate speeds of 40 mph (from 20 mph), and upgrading turnouts to #20s at each end of the siding. Applicants estimate this project will cost \$20.7 million and be completed by the end of Year 3.⁶³
- Fleming Siding Extension (Birmingham Subdivision MP AG184.6 to AG188.0). Applicants plan to upgrade and extend the siding at Fleming to a clear length exceeding 15,000 feet. The project will include constructing 1.1 miles of new siding track, upgrading the existing siding to accommodate speeds of 40 mph (from 25 mph), and upgrading turnouts to #20s at each end of the siding. Applicants estimate this project will cost \$16.0 million and be completed by the end of Year 3.⁶⁴
- Foster Siding Extension (Birmingham Subdivision MP 707.0 to 710.5). Applicants plan to upgrade and extend the siding at Foster to a clear length exceeding 15,000 feet. The project will include constructing one mile of new siding track, upgrading the existing siding to accommodate speeds of 40 mph (from 30 mph), and upgrading turnouts to #20s at each end of the siding. Applicants estimate this project will cost \$13.1 million and be completed by the end of Year 3.⁶⁵

39; *see also* Janke VS Workpaper “Synergies Transportation - Operating.xlsx,” Tab “Capital Investment,” Cell H50.

⁶³ *See* Workpaper “NS Infrastructure Planned Table.xlsx,” Tab “Line Capacity Projects,” Row 20; Workpaper “NS_Corridor_Infrastructure_Project_Report.pdf” at 42; *see also* Janke VS Workpaper “Synergies Transportation - Operating.xlsx,” Tab “Capital Investment,” Cell H51.

⁶⁴ *See* Workpaper “NS Infrastructure Planned Table.xlsx,” Tab “Line Capacity Projects,” Row 21; Workpaper “NS_Corridor_Infrastructure_Project_Report.pdf” at 45; *see also* Janke VS Workpaper “Synergies Transportation - Operating.xlsx,” Tab “Capital Investment,” Cell H52.

⁶⁵ *See* Workpaper “NS Infrastructure Planned Table.xlsx,” Tab “Line Capacity Projects,” Row 22; Workpaper “NS_Corridor_Infrastructure_Project_Report.pdf” at 48; *see also* Janke VS Workpaper “Synergies Transportation - Operating.xlsx,” Tab “Capital Investment,” Cell H54.

- Temple-Taylor Siding Extension (Birmingham Subdivision MP 675.5 to 679.7). Applicants plan to upgrade and extend the existing siding at Temple-Taylor to a clear length exceeding 15,000 feet. The project will include constructing 1.04 miles of new siding track, upgrading existing siding track to accommodate speeds of 40 mph (from 25 mph), and upgrading turnouts to #20s. Applicants estimate this project will cost \$11.4 million and be completed by the end of Year 3.⁶⁶

92. *St. Louis to Louisville Corridor Project.* Applicants project that the number of trains moving over the St. Louis to Louisville corridor will increase by one train per day under the Optimized plan and 3 trains per day under the Growth Plan. Fluid capacity on the corridor, specifically between Huntingburg, Indiana, and Louisville, Kentucky, is not sufficient to handle the projected volume growth. Applicants plan to invest in CTC between Princeton, Indiana, and Georgetown, Indiana. This project will allow the combined railroad to provide the service described in the Growth Plan.⁶⁷

- Merger-Related Investment:
 - CTC Hatfield Junction to CP Georgetown Project (Southern East Subdivision MP W177.3W to 259.8W). Applicants plan to install CTC on the district between Hatfield Junction and CP Georgetown, a distance of 82.4 miles. Applicants estimate this project will cost \$30.2 million and be completed by the end of Year 3.⁶⁸

⁶⁶ See Workpaper “NS Infrastructure Planned Table.xlsx,” Tab “Line Capacity Projects,” Row 23; Workpaper “NS_Corridor_Infrastructure_Project_Report.pdf” at 51; *see also* Janke VS Workpaper “Synergies Transportation - Operating.xlsx,” Tab “Capital Investment,” Cell H55.

⁶⁷ See Workpaper “NS – Corridor Infrastructure.pdf” at 34–37.

⁶⁸ See Workpaper “NS Infrastructure Planned Table.xlsx,” Tab “Line Capacity Projects,” Row 24; Workpaper “NS_Corridor_Infrastructure_Project_Report.pdf” at 53; *see also* Janke VS Workpaper “Synergies Transportation - Operating.xlsx,” Tab “Capital Investment,” Cell H53.

93. *Cleveland to Harrisburg Corridor Projects.* The NS network still utilizes cab signals on the Premier Corridor between Cleveland, Ohio, and Harrisburg, Pennsylvania, and from Harrisburg, Pennsylvania, to Perryville, Maryland. Cab signal technology emerged in the early 20th century. With the ongoing expansion of PTC and thanks to a federal waiver that allows trains to operate with PTC in lieu of cab signals, UP phased out its use of cab signal systems on its network, a step approved by the Federal Railroad Administration (“FRA”) in 2022. Applicants plan to discontinue legacy cab-signal systems across NS’s mainline network between Cleveland and Harrisburg, transitioning to a PTC-only architecture with underlying signal system. Removing out-of-date cab signal technology will improve operational fluidity for trains on the combined UP/NS network. While the NS locomotive fleet is 98 percent equipped with cab signals, UP locomotives are not so equipped. The elimination of cab signals in the legacy NS fleet will provide the combined railroad with more flexibility in the assignment of locomotives to trains. This transition will also enhance safety, reduce maintenance costs, and improve operational efficiency while maintaining regulatory compliance. Additional detail on this initiative appears below.

- Phase I is a \$34.3 million investment in PTC-only architecture that replaces the need for cab signal locomotives at Cleveland Terminal. Phase I will allow foreign units to serve as a lead locomotive until arrival at Conway terminal (outside of Pittsburgh). Conway terminal is a natural stopping point because it has the capacity to handle inbound and outbound unit train staging, engine swaps, and brake testing. Stopping trains at Conway terminal will be less disruptive to operations than stopping trains at Cleveland. Applicants estimate that the 139-mile project between RD 122.2 at Cleveland on the Cleveland Line

and PC 0.0 at Pittsburgh on the Fort Wayne Line will be completed by the end of Year 3.⁶⁹

- Phase II is a \$37.3 million project involving investment in PTC-only architecture that, when complete, will allow for a streamlined network from Chicago to Harrisburg (and consequently to New York) with minimal interruptions or delays for cab signal locomotive additions. Applicants estimate that work on this additional 326-mile footprint (including the primary and Conemaugh Line routes) between PT 353.2 at Pittsburgh on the Pittsburgh Line and PT 105.1 at Harrisburg on the same line will also be completed by the end of Year 3.⁷⁰

94. When both phases are complete, a small pool of cab-signal-equipped locomotives will remain in service east of Conway to ensure compliance with cab signal requirements in Pennsylvania and New Jersey on Shared Assets along with Amtrak and Southeastern Pennsylvania Transportation Authority (“SEPTA”) corridors.

95. *Birmingham to Mobile Corridor (3B Subdivision) Projects.* NS’s 3B Subdivision runs between Burstall and Mobile, Alabama. Under the Growth Plan, projected train counts are expected to exceed fluid capacity on the 3B North District, specifically on the segment between Wilton and Selma. NS previously identified and is currently constructing multiple projects across the entire 3B District. These

⁶⁹ See Workpaper “NS Infrastructure Planned Table.xlsx,” Tab “Cab Signal Projects,” Row 4; see also Janke VS Workpaper “Synergies Transportation - Operating.xlsx,” Tab “Capital Investment,” Cell H63.

⁷⁰ See Workpaper “NS Infrastructure Planned Table.xlsx,” Tab “Cab Signal Projects,” Row 5; see also Janke VS Workpaper “Synergies Transportation - Operating.xlsx,” Tab “Capital Investment,” Cell H64.

projects will be sufficient to allow the segment to accommodate the traffic projected under the Growth Plan.⁷¹

2. Yard and Terminal Capacity Improvements

96. Applicants plan to invest approximately \$364.6 million (in 2023 dollars) in merger-related projects to increase capacity in UP/NS intermodal, manifest, and automotive yards and terminals to accommodate volumes projected in the Growth Plan.⁷² The locations of these projects are shown below in Figure 9. In the sections below, Applicants describe the pre-merger and merger-related investments in yards and terminals that will help the combined railroad accommodate the volumes projected in the Growth Plan.

⁷¹ See Workpaper “NS Infrastructure Planned Table, Tab “Line Capacity Projects,” Row 33.

⁷² See Janke VS Workpaper “Synergies Transportation - Operating.xlsx,” Tab “Capital Investment,” Cells H25:H28 and H57:H58 (Intermodal); *id.* at Cells H24 and H61 (Manifest); *id.* at Cell H60 (Auto).

Figure 9: Merger-Related Yard and Terminal Projects



a. Intermodal Terminal Projects

97. *Inland Empire (Bloomington, California)*. UP's Inland Empire intermodal facility at West Colton currently has a fluid capacity of 195,000 lifts per year. Applicants project that Inland Empire will require post-merger capacity of approximately 397,000 lifts per year.⁷³ Applicants expect to accommodate projected growth through a combination of pre-merger and post-merger investment.⁷⁴

⁷³ See Workpaper "UP Manifest-Intermodal-Automotive Terminal Volume-Capacity Summary.xlsx," Tab "Intermodal," Row 27.

⁷⁴ See Workpaper "UP Manifest-Intermodal-Automotive Terminal Capacity Inputs & Calculations.xlsx," Tab "Intermodal Terminal Inputs," Rows 38 and 44.

- Pre-Merger Investment: UP has invested heavily at Inland Empire to reconfigure the west end receiving yard at West Colton to handle intermodal traffic. UP is also adding new working track, parking slots, and parking stalls. UP expects to complete these projects in the first half of 2027. Applicants expect these projects to increase Inland Empire’s capacity to 345,000 lifts per year.⁷⁵
- Merger-Related Investment: Applicants plan to add two new working tracks (5,910 ft.), 524 stack slots, and additional crossovers at the Inland Empire intermodal facility. Applicants expect these projects to increase Inland Empire’s capacity to 500,000 lifts per year.⁷⁶ Applicants estimate these projects will cost \$58.1 million and be completed by the end of Year 3.⁷⁷

98. *Settegast (Houston, Texas)*. UP’s Settegast facility in Houston currently has a fluid capacity of 140,000 lifts per year. Applicants project that Settegast will require post-merger capacity of approximately 262,000 lifts per year.⁷⁸ Applicants expect to accommodate projected growth through a combination of pre-merger and post-merger investment.⁷⁹

- Pre-Merger Investment: UP has been planning to construct additional parking stalls at Settegast to accommodate traffic from the Port of Houston’s Barber’s Cut facility. UP is also investing in using its nearby Pierce Yard to support Settegast. UP expects to complete these projects in 2027. Applicants expect these projects to increase Settegast’s capacity to 180,000 lifts per year.⁸⁰

⁷⁵ See Workpaper “UP Intermodal Terminal Expansion Projects.pdf” at 24.

⁷⁶ See *id.* at 5.

⁷⁷ See Janke VS Workpaper “Synergies Transportation - Operating.xlsx,” Tab “Capital Investment,” Cell H28.

⁷⁸ See Workpaper “UP Manifest-Intermodal-Automotive Terminal Volume-Capacity Summary.xlsx,” Tab “Intermodal,” Row 4.

⁷⁹ See Workpaper “UP Manifest-Intermodal-Automotive Terminal Capacity Inputs & Calculations.xlsx,” Tab “Intermodal Terminal Inputs,” Rows 37 and 43.

⁸⁰ See Workpaper “UP Intermodal Terminal Expansion Projects.pdf” at 23.

- Merger-Related Investment: Applicants plan to add to Settegast 558 paved parking stalls and PGT Lite automated gate technology. Applicants expect these projects to increase Settegast’s capacity to 270,000 lifts per year.⁸¹ Applicants estimate this project will cost \$34.4 million and be completed by the end of Year 2.⁸²

99. *Port Laredo (Laredo, Texas)*. UP’s Port Laredo intermodal facility currently has a fluid capacity of 160,000 lifts per year. Applicants project that Port Laredo will require post-merger capacity of approximately 213,000 lifts per year.⁸³ Applicants expect the combined railroad to accommodate projected growth through post-merger investment.⁸⁴ Specifically, Applicants plan to add 818 paved parking stalls, 5 support tracks (11,700 ft.), and two working track extensions (9,400 ft.) to the Port Laredo facility. Applicants expect these projects to increase Port Laredo’s capacity to 250,000 lifts per year.⁸⁵ Applicants estimate these projects will cost \$63.7 million and be completed by the end of Year 2.⁸⁶

100. *Council Bluffs (Iowa)*. UP currently uses an intermodal ramp at Council Bluffs operated by Iowa Interstate Railroad (“IAIS”). Applicants project Council Bluffs will require post-merger capacity of approximately 122,000 lifts per year to

⁸¹ See *id.* at 3.

⁸² See Janke VS Workpaper “Synergies Transportation - Operating.xlsx,” Tab “Capital Investment,” Cell H25.

⁸³ See Workpaper “UP Manifest-Intermodal-Automotive Terminal Volume-Capacity Summary.xlsx,” Tab “Intermodal,” Row 3.

⁸⁴ See Workpaper “UP Manifest-Intermodal-Automotive Terminal Capacity Inputs & Calculations.xlsx,” Tab “Intermodal Terminal Inputs,” Row 24.

⁸⁵ See Workpaper “UP Intermodal Terminal Expansion Projects.pdf” at 6.

⁸⁶ See Janke VS Workpaper “Synergies Transportation - Operating.xlsx,” Tab “Capital Investment,” Cell H27.

accommodate expected traffic growth.⁸⁷ Because Applicants believe that the IAIS facility cannot meet the expected demand, they are exploring potential investment opportunities in the area to ensure that UP/NS will have adequate capacity to accommodate the projected traffic growth at Council Bluffs. For purposes of preparing their Amended Application, Applicants are assuming a need for investment to accommodate projected growth at Council Bluffs.⁸⁸ Applicants plan to repurpose UP's existing North Council Bluffs Yard by constructing a new intermodal terminal at the site. This new facility would include 330 paved parking stalls, 678 stack slots, two working tracks (7,315 ft.), and four support tracks (13,430 ft.). Applicants expect the new Council Bluffs intermodal terminal to have a capacity of 160,000 lifts per year.⁸⁹ Applicants estimate this project will cost \$74.0 million and be completed by the end of Year 3.⁹⁰

101. *Sharonville (Ohio)*. NS's intermodal facility in Sharonville currently has a fluid capacity of 90,000 lifts per year.⁹¹ Applicants project that Sharonville will require post-merger capacity of approximately 176,000 lifts per year.⁹² Applicants

⁸⁷ See "UP Manifest-Intermodal-Automotive Terminal Volume-Capacity Summary.xlsx," Tab "Intermodal," Row 16.

⁸⁸ See Workpaper "UP Manifest-Intermodal-Automotive Terminal Capacity Inputs & Calculations.xlsx," Tab "Intermodal Terminal Inputs," Row 7.

⁸⁹ See Workpaper "UP Intermodal Terminal Expansion Projects.pdf" at 4.

⁹⁰ See Janke VS Workpaper "Synergies Transportation - Operating.xlsx," Tab "Capital Investment," Cell H26.

⁹¹ See Workpaper "NS Terminal Volume Review.xlsx," Tab "Intermodal," Row 8.

⁹² See Workpaper "NS Terminal Volume Review.xlsx," Tab "Intermodal," Row 8.

expect to accommodate projected growth through a combination of pre-merger and post-merger investment.⁹³

- Pre-Merger investment: In 2026, NS plans to begin constructing a terminal expansion that will add 472 stack slots and 2,570 feet of additional working track. NS expects to complete these projects by the end of 2026. Applicants expect these projects to increase Sharonville’s capacity by 85,000 lifts per year.⁹⁴
- Merger-Related investment: Applicants plan to add 5,900 feet of support track in Sharonville Yard and to develop a new wheeled parking lot with 350 stalls, complete with adequate lighting, drainage, and security infrastructure. Applicants expect this project to increase Sharonville’s capacity to 206,000 lifts per year. Applicants estimate this project will cost \$26.2 million and be completed in Year 2.⁹⁵

102. *Ayer (Massachusetts)*. NS’s intermodal facility in Ayer will have a fluid capacity of 98,000 lifts per year following the completion of an ongoing clearance project enabling double-stacked container movements into and out of Ayer.⁹⁶ Applicants project that Ayer will require post-merger capacity of approximately 100,000 lifts per year.⁹⁷ Applicants expect to accommodate projected growth through pre-merger investment.⁹⁸ In 2026, NS expects to begin constructing a parking

⁹³ See Workpaper “NS Manifest IM Auto Terminal Capacity Calculations.xlsx,” Tab “Intermodal Terminal Inputs,” Rows 46 and 49.

⁹⁴ See *id.*, Row 46; Workpaper “NS IM Auto Manifest Expansion Projects.pdf” at 3; Workpaper “NS Terminal Volume Review.xlsx.” Tab “Intermodal,” Row 8.

⁹⁵ See Workpaper “NS IM Auto Manifest Expansion Projects.pdf” at 8; Workpaper “NS IM Manifest Auto Terminal Capacity Calculations.xlsx,” Tab “Intermodal Terminal Inputs,” Row 49; see also Janke VS Workpaper “Synergies Transportation - Operating.xlsx,” Tab “Capital Investment,” Cell H57.

⁹⁶ See Workpaper “NS Terminal Volume Review.xlsx,” Tab “Intermodal,” Row 27.

⁹⁷ See Workpaper “NS Terminal Volume Review.xlsx,” Tab “Intermodal,” Row 27.

⁹⁸ See Workpaper “NS Infrastructure Planned Table.xlsx,” Tab “Terminal Capacity Projects,” Row 18.

expansion at Ayer that will add 300 parking stalls with adequate lighting, drainage, and security. NS expects to complete this project by the end of 2027. Applicants expect the project to increase Ayer’s capacity to 156,000 lifts per year.⁹⁹

103. *Livernois (Detroit, Michigan)*. The NS Livernois intermodal facility in Detroit currently has a fluid capacity of 147,000 lifts per year. Applicants project that Livernois will require post-merger capacity of approximately 209,000 lifts per year.¹⁰⁰ Applicants expect to accommodate this growth through pre-merger investment.¹⁰¹ In 2026, NS plans to begin a major terminal expansion at Livernois, funded through a combination of public and private investment. The project will deliver 6,175 feet of new working track, 2,000 additional stack slots, and 200 parking stalls, along with a new automated gate and upgrades to the operating surface and improved lighting, drainage, and security.¹⁰² Scheduled for completion by 2029, this expansion will increase Livernois’s annual capacity to 277,000 lifts, which will be sufficient for projected post-merger demand.¹⁰³

⁹⁹ See Workpaper “NS Manifest IM Auto Terminal Capacity Calculations.xlsx,” Tab “Intermodal Terminal Inputs,” Row 44; Workpaper “NS IM Auto Manifest Expansion Projects.pdf” at 4.

¹⁰⁰ See Workpaper “NS Terminal Volume Review.xlsx,” Tab “Intermodal,” Row 26; Workpaper “NS IM Auto Manifest Expansion Projects.pdf” at 2.

¹⁰¹ See Workpaper “NS Manifest IM Auto Terminal Capacity Calculations.xlsx,” Tab “Intermodal Terminal Inputs,” Row 45; Workpaper “NS Infrastructure Planned Table.xlsx,” Tab “Terminal Capacity Projects,” Row 19.

¹⁰² See Workpaper “NS IM Auto Manifest Expansion Projects.pdf” at 2.

¹⁰³ See Workpaper “NS Manifest IM Auto Terminal Capacity Calculations.xlsx,” Tab “Intermodal Terminal Inputs,” Row 45.

104. *Toledo (Ohio)*. The NS intermodal facility in Toledo currently has a fluid capacity of 194,000 lifts per year. Applicants project that Toledo will require post-merger capacity of approximately 191,000 lifts per year.¹⁰⁴ Applicants expect that the combined railroad will accommodate projected growth through post-merger investment.¹⁰⁵ Specifically, Applicants plan to relocate tracks within the expansion area, construct 10,500 feet of additional support track and 2,450 feet of additional working track, and add 200 new parking stalls with adequate lighting, drainage, and security.¹⁰⁶ Applicants expect these projects to increase Toledo’s capacity to 236,000 lifts per year.¹⁰⁷ Applicants estimate these projects will cost \$36.3 million and be completed by the end of Year 3.¹⁰⁸

105. *McCalla (Birmingham, Alabama)*. McCalla, the NS automotive ramp in Birmingham, currently supports only automotive distribution, since NS idled intermodal operations there several years ago. To accommodate projected merger-related intermodal growth, Applicants expect that the combined railroad will resume intermodal service at McCalla. Applicants have developed a plan to collocate

¹⁰⁴ See Workpaper “NS Terminal Volume Review.xlsx,” Tab “Intermodal,” Row 14.

¹⁰⁵ See Workpaper “NS Infrastructure Planned Table.xlsx,” Tab “Terminal Capacity Projects,” Row 5.

¹⁰⁶ See Workpaper “NS IM Auto Manifest Expansion Projects.pdf” at 9.

¹⁰⁷ See Workpaper “NS Manifest IM Auto Terminal Capacity Calculations.xlsx,” Tab “Intermodal Terminal Inputs,” Row 50; Workpaper “NS IM Auto Manifest Expansion Projects.pdf” at 9.

¹⁰⁸ See Workpaper “NS Infrastructure Planned Table.xlsx,” Tab “Terminal Capacity Projects,” Row 5; *see also* Janke VS Workpaper “Synergies Transportation - Operating.xlsx,” Tab “Capital Investment,” Cell H58.

intermodal and automotive operations at the ramp without requiring additional capital investment. Reintroducing intermodal operations at McCalla will provide 30,000 annual lifts of capacity, exceeding projected post-merger demand of approximately 30,222 lifts.¹⁰⁹

106. *Lift Equipment.* In addition to making infrastructure improvements at intermodal terminals, Applicants plan to invest in additional lift equipment to support merger-related intermodal growth. Applicants plan to redeploy surplus cranes from existing fleets where possible. Legacy UP intermodal terminals are expected to require \$39.6 million of investment in new equipment to meet post-merger demand, including 8 new RTG cranes and 15 new reach stackers and packers.¹¹⁰ Legacy NS intermodal terminals are expected to need \$34.7 million of investment in new equipment to meet post-merger demand, including 6 overhead RTG cranes, 4 packer cranes, and one widespan RMG.¹¹¹

b. Manifest Yard Projects

107. *North Little Rock (Arkansas).* UP’s North Little Rock facility currently has a fluid capacity of 2,190 cars per day. Applicants project that North Little Rock

¹⁰⁹ See Workpaper “NS Manifest IM Auto Terminal Capacity Calculations.xlsx,” Tab “Intermodal Terminal Inputs,” Row 7; Workpaper “NS Terminal Volume Review.xlsx,” Tab “Intermodal,” Row 34.

¹¹⁰ See Workpaper “UP Intermodal Lift Equipment Capacity Model.xlsx,” Tab “Capital Need-T3,” Cells D7 and D13; see also Janke VS Workpaper “Synergies Transportation - Operating.xlsx,” Tab “Capital Investment,” Cell H29.

¹¹¹ See “NS Lift Equipment Capital.xlsx, Tab “Capital Need- T3”; see also Janke VS Workpaper “Synergies Transportation - Operating.xlsx,” Tab “Capital Investment,” Cell H59.

will require post-merger capacity of approximately 2,336 cars per day.¹¹² Applicants expect that the combined railroad will accommodate projected growth through post-merger investment.¹¹³ Specifically, Applicants plan to add one new track (9,000 ft.) and extend two existing tracks to 9,000 feet at North Little Rock. Applicants expect these improvements to increase North Little Rock’s capacity to 2,350 cars per day. Applicants estimate this project will cost \$30.4 million and be completed by the end of Year 2.¹¹⁴

108. *Gateway Yard (A&S) (E. St. Louis, Illinois)*. Gateway Yard currently has a fluid capacity of 2,100 cars per day. Applicants project that Gateway Yard will require post-merger capacity of 2,149 cars per day.¹¹⁵ UP has a pre-merger project to install new track connections and crossovers to use the yard’s track more efficiently by enabling multiple simultaneous moves. This project will be completed in 2026 and will bring Gateway Yard’s capacity to 2,160 cars per day.¹¹⁶

¹¹² See Workpaper “UP Manifest-Intermodal-Automotive Terminal Volume-Capacity Summary.xlsx,” Tab “Manifest,” Row 85.

¹¹³ See Workpaper “UP Manifest-Intermodal-Automotive Terminal Capacity Inputs & Calculations.xlsx,” Tab “Manifest Yard Inputs,” Row 98.

¹¹⁴ See Workpaper “UP Manifest Yard Expansion Projects.pdf” at 3; *see also* Janke VS Workpaper “Synergies Transportation - Operating.xlsx,” Tab “Capital Investment,” Cell H24.

¹¹⁵ See Workpaper “UP Manifest-Intermodal-Automotive Terminal Volume-Capacity Summary.xlsx,” Tab “Manifest,” Row 22.

¹¹⁶ See Workpaper “UP Manifest Yard Expansion Projects.pdf” at 8; Workpaper “UP Manifest-Intermodal-Automotive Terminal Capacity Inputs & Calculations.xlsx,” Tab “Manifest Yard Inputs,” Row 92.

109. *Angleton (Texas)*. UP’s yard at Angleton currently has a fluid capacity of 610 cars per day. Applicants project that Angleton will require post-merger capacity of 623 cars per day.¹¹⁷ UP is currently expanding Angleton by adding 4,500 feet of departure track and realigning crossovers to enhance fluidity of operations.¹¹⁸ Once this project is completed in 2026, Angleton will have a fluid capacity of 650 cars per day.¹¹⁹

110. *Francis (Texas)*. UP’s yard in Francis currently has a fluid capacity of 70 cars per day. Applicants project that Francis will require post-merger capacity of approximately 91 cars per day.¹²⁰ UP is currently expanding Francis by adding 3 tracks, extending 2 tracks, and installing crossovers to support switching and work events clear of the main line.¹²¹ Once this project is completed in 2026, the yard will have a fluid capacity of 180 cars per day.¹²²

111. *Hoskins Junction (Texas)*. UP’s yard in Hoskins Junction currently has a fluid capacity of 160 cars per day. Applicants project that Hoskins Junction will

¹¹⁷ See Workpaper “UP Manifest-Intermodal-Automotive Terminal Volume-Capacity Summary.xlsx,” Tab “Manifest,” Row 9.

¹¹⁸ See Workpaper “UP Manifest Yard Expansion Projects.pdf” at 10.

¹¹⁹ See Workpaper “UP Manifest-Intermodal-Automotive Terminal Capacity Inputs & Calculations.xlsx,” Tab “Manifest Yard Inputs,” Row 93.

¹²⁰ See Workpaper “UP Manifest-Intermodal-Automotive Terminal Volume-Capacity Summary.xlsx,” Tab “Manifest,” Row 12.

¹²¹ See Workpaper “UP Manifest Yard Expansion Projects.pdf” at 11.

¹²² See Workpaper “UP Manifest-Intermodal-Automotive Terminal Capacity Inputs & Calculations.xlsx,” Tab “Manifest Yard Inputs,” Row 94.

require post-merger capacity of approximately 160 cars per day.¹²³ UP is currently expanding Hoskins Junction by extending five tracks, adding 4,500 feet of classification track.¹²⁴ Once this project is completed in 2026, Hoskins Junction will have a fluid capacity of 200 cars per day.¹²⁵

112. *Chattanooga (Tennessee)*. NS's yard in Chattanooga currently has a fluid capacity of 2,100 cars per day. Applicants project that Chattanooga will require post-merger capacity of approximately 2,160 cars per day.¹²⁶ Applicants expect that UP/NS will accommodate projected growth through post-merger investment. Applicants plan to expand the classification and forwarding tracks at Chattanooga by 9,830 feet and 4,675 feet, respectively.¹²⁷ Upon completion of this project, Chattanooga's capacity will increase to 2,300 cars per day, surpassing post-merger demand. Applicants estimate this project will cost \$17.1 million and be completed by the end of Year 3.¹²⁸

113. *Elkhart (Indiana)*. NS's classification yard in Elkhart currently has a fluid capacity of 2,380 cars per day. Applicants project that Elkhart will require post-

¹²³ See Workpaper "UP Manifest-Intermodal-Automotive Terminal Volume-Capacity Summary.xlsx," Tab "Manifest," Row 15.

¹²⁴ See Workpaper "UP Manifest Yard Expansion Projects.pdf" at 9.

¹²⁵ See Workpaper "UP Manifest-Intermodal-Automotive Terminal Capacity Inputs & Calculations.xlsx," Tab "Manifest Yard Inputs," Row 95.

¹²⁶ See Workpaper "NS Terminal Volume Review.xlsx," Tab "Manifest," Row 5.

¹²⁷ See Workpaper "NS IM Auto Manifest Expansion Projects.pdf" at 10.

¹²⁸ See Workpaper "NS Terminal Volume Review.xlsx," Tab "Manifest," Row 5; "NS Infrastructure Planned Table.xlsx," Tab "Terminal Capacity Projects," Row 9; *see also* Janke VS Workpaper "Synergies Transportation - Operating.xlsx," Tab "Capital Investment," Cell H61.

merger capacity of approximately 2,410 cars per day.¹²⁹ NS is addressing Elkhart's capacity needs through a pre-merger project that is already underway. That project will extend three receiving yard tracks, allowing for longer trains to be yarded without disrupting hump operations.¹³⁰ Applicants expect the project to be completed in early 2026 and to increase capacity to 2,620 rail cars per day.¹³¹

c. Automotive Facility Projects

114. *Santa Rosa (New Mexico)*. UP's automotive ramp in Santa Rosa currently has a fluid capacity of 40,000 vehicles per year. Applicants project that Santa Rosa will require post-merger capacity of approximately 41,400 vehicles per year.¹³² Applicants expect to accommodate expected growth through a pre-merger investment project that will be completed in 2026.¹³³

115. *Bayview (Baltimore, Maryland)*. NS's Bayview automotive ramp is currently configured for collocated automotive and intermodal operations. Intermodal service at the ramp is idled, and UP/NS will not need to reinstate that service to accommodate merger-related intermodal growth. NS is currently engaged in a

¹²⁹ See Workpaper "NS Terminal Volume Review.xlsx," Tab "Manifest," Row 7.

¹³⁰ See Workpaper "NS IM Auto Manifest Expansion Projects.pdf" at 5.

¹³¹ See Workpaper "NS Terminal Volume Review.xlsx," Tab "Manifest," Row 7; "NS Infrastructure Planned Table.xlsx," Tab "Terminal Capacity Projects," Row 21; Workpaper "NS IM Auto Manifest Expansion Projects.pdf" at 5.

¹³² See Workpaper "UP Manifest-Intermodal-Automotive Terminal Volume-Capacity Summary.xlsx," Tab "Auto," Row 19.

¹³³ See Workpaper "UP Auto Terminal Expansion Projects.pdf" at 3; *see also* Workpaper "UP Manifest-Intermodal-Automotive Terminal Capacity Inputs & Calculations.xlsx," Tab "Automotive Terminal Inputs," Row 32.

construction project to expand the automotive footprint into the former intermodal acreage. This expansion will provide capacity for 48,000 vehicles annually, exceeding projected post-merger demand of approximately 26,150 vehicles annually).¹³⁴

116. *Jacksonville (Florida)*. NS's automotive ramp in Jacksonville currently has a fluid capacity of 97,000 vehicles per year. Applicants project that the terminal will require post-merger capacity to handle approximately 149,550 vehicles per year.¹³⁵ Applicants expect that UP/NS will accommodate projected growth through post-merger investment. Through this investment, the combined railroad will add 30 multilevel spots by extending each of the six existing working tracks at Jacksonville by 550 feet, add 562 new parking bays, construct 7,250 feet of new support track adjacent to the terminal, and install lighting, drainage, and security for the expanded footprint.¹³⁶ Upon completion of this project, Jacksonville's capacity will increase to 154,000 vehicles per year, greater than post-merger demand. Applicants estimate the project will cost \$24.3 million and be completed by the end of Year 3.¹³⁷

117. *Melvindale (Detroit, Michigan)*. NS's Melvindale automotive ramp in Detroit currently has a fluid capacity of 189,000 vehicles per year. Applicants project

¹³⁴ See Workpaper "NS Manifest IM Auto Terminal Capacity Calculations.xlsx," Tab "Automotive Terminal Inputs," Row 5; Workpaper "NS Terminal Volume Review.xlsx," Tab "Auto," Row 12.

¹³⁵ See Workpaper "NS Terminal Volume Review.xlsx," Tab "Auto," Row 3.

¹³⁶ See Workpaper "NS IM Auto Manifest Expansion Projects.pdf" at 11.

¹³⁷ See Workpaper "NS Manifest IM Auto Terminal Capacity Calculations.xlsx," Tab "Automotive Terminal Inputs," Row 28; Workpaper "NS Infrastructure Planned Table," Tab "Terminal Capacity Projects," Row 7; see also Janke VS Workpaper "Synergies Transportation - Operating.xlsx," Tab "Capital Investments," Cell H60.

that the terminal will require post-merger capacity to handle approximately 231,000 vehicles per year.¹³⁸ Applicants expect to accommodate projected growth through pre-merger investment. In 2026, NS plans to begin construction on a parking expansion at Melvindale, supported by both public and private funding. The project will add 1,106 new parking bays, as well as adequate lighting, drainage, and security for the new lot.¹³⁹ Scheduled for completion by the end of 2026, this expansion will increase Melvindale’s capacity to 273,000 vehicles per year, well above projected post-merger demand.¹⁴⁰

118. *Shelbyville (Louisville, Kentucky)*. NS’s automotive ramp in Louisville currently has a fluid capacity of 88,000 vehicles per year.¹⁴¹ Shelbyville automotive ramp is currently configured for collocated automotive and intermodal operations. Intermodal service at the ramp is idled, and there is no need to reinstate that service to accommodate merger-related intermodal growth in Louisville. To support post-merger automotive demand, Applicants have developed a plan to expand Shelbyville’s automotive footprint into the former intermodal acreage without the need for additional capital investment. This expansion will provide capacity for 174,000

¹³⁸ See Workpaper “NS Terminal Volume Review.xlsx,” Tab “Auto,” Row 6.

¹³⁹ See Workpaper “NS IM Auto Manifest Expansion Projects.pdf” at 6.

¹⁴⁰ See Workpaper “NS Manifest IM Auto Terminal Capacity Calculations.xlsx,” Tab “Automotive Terminal Inputs,” Row 25; Workpaper “NS Infrastructure Planned Table,” Tab “Terminal Capacity Projects,” Row 20.

¹⁴¹ See Workpaper “NS Terminal Volume Review.xlsx,” Tab “Auto,” Row 5.

vehicles annually, exceeding projected post-merger demand of approximately 148,300 vehicles annually.¹⁴²

119. *Ramp Equipment.* In addition to making infrastructure improvements at automotive terminals, Applicants plan to invest in ramp equipment to support merger-related volume growth. While Applicants plan to redeploy surplus vehicle loading/unloading ramps from existing fleets where possible, Applicants expect that legacy NS automotive terminals will need \$2.0 million of investment in 7 new mobile ramps to meet post-merger demand.¹⁴³ Applicants expect that legacy UP automotive terminals will need \$2.3 million of investment in 9 new mobile ramps to meet post-merger demand.¹⁴⁴

C. Funding of Capital Improvements

120. Applicants summarize the projected investments in main line, yard, and terminal facilities below in Table 14.

¹⁴² See Workpaper “NS Manifest IM Auto Terminal Capacity Calculations.xlsx,” Tab “Automotive Terminal Inputs,” Row 24; Workpaper “NS Terminal Volume Review.xlsx,” Tab “Auto,” Row 5.

¹⁴³ See Workpaper “NS Auto Ramp Equipment Capital.xlsx,” Tab “Capital Need-T3,” Cell D9; see also Janke VS Workpaper “Synergies Transportation - Operating.xlsx,” Tab “Capital Investment,” Cell H62.

¹⁴⁴ See Workpaper “UP Auto Load-Unload Equipment Capacity Model.xlsx,” Tab “Capital Need - T3,” Cell D9; *see also* Janke VS Workpaper “Synergies Transportation - Operating.xlsx,” Tab “Capital Investment,” Cell H30.

Table 14¹⁴⁵
Summary of Merger-Related Investments
in Main Line, Yard, and Terminal Facilities (2023 dollars)

Investment Type	Project	Facility or Project Type	Location	Investment (\$000s)
Yard and Terminal	North Little Rock Yard Expansion	Manifest	Little Rock, AR	30,441
Yard and Terminal	Settegast Terminal Expansion	Intermodal	Houston, TX	34,421
Yard and Terminal	Council Bluffs	Intermodal	Council Bluffs, IA	73,993
Yard and Terminal	Port Laredo	Intermodal	Laredo, TX	63,691
Yard and Terminal	Inland Empire Intermodal Terminal Expansion	Intermodal	Bloomington, CA	58,059
Yard and Terminal	Lift Equipment (UP and NS Terminals)	Intermodal	Various	74,242
Yard and Terminal	Ramp Equipment (UP and NS Yards)	Auto	Various	4,285
Yard and Terminal	Sharonville Terminal Expansion	Intermodal	Sharonville, OH	26,216
Yard and Terminal	Toledo Terminal Expansion	Intermodal	Toledo, OH	36,299
Yard and Terminal	Jacksonville Yard Expansion	Auto	Jacksonville, FL	24,300
Yard and Terminal	Chattanooga Yard Expansion	Manifest	Chattanooga, TN	17,141
Main Line	Mohawk-Stoval Double Track	Second mainline	Gila Sub	34,102
Main Line	Otero Siding Extension	Siding extension	Carrizozo Sub	11,241
Main Line	Missler Siding Extension	Siding extension	Pratt Sub	18,870
Main Line	Herington Yard Bypass	Yard bypass	Topeka Sub	19,696
Main Line	Pratt Siding Extension	Siding extension	Herington Sub	13,278
Main Line	UP Connection at West MC (Voltz)	Connection upgrade	Kansas City Sub	6,766

¹⁴⁵ See Janke VS Workpaper “Synergies Transportation - Operating.xlsx,” Tab “Capital Investment,” Cells H16:H65.

Investment Type	Project	Facility or Project Type	Location	Investment (\$000s)
Main Line	PTC Installation Wabash Junction to Bluffs	Signal	Kansas City Sub, Springfield-Hannibal Sub Springfield Sub	19,460
Main Line	Hannibal Bridge Speed Upgrade	Bridge, Track	Springfield-Hannibal Sub	2,420
Main Line	Griggsville Siding Extension	Siding extension	Springfield-Hannibal Sub	11,626
Main Line	Hannel Siding Extension	Siding extension	Springfield-Hannibal Sub	10,577
Main Line	Decatur Double Track	Second mainline	Lafayette Sub	11,908
Main Line	CP Brush Phase II	Second mainline	Lafayette Sub	16,889
Main Line	Vance Siding Extension	Siding extension	Lafayette Sub	15,770
Main Line	Eldon to Ross Lane (Tilton Yard) CTC	Signal	Lafayette Sub	4,195
Main Line	Tilton Universal Crossover	Crossover	Lafayette Sub	6,020
Main Line	Coburn Siding Extension	Siding extension	Detroit - Huntington Sub	16,314
Main Line	CP-358 Crossover	Crossover	Toledo West Sub	4,598
Main Line	Pearl River New Siding	Siding	NO&NE Sub	19,440
Main Line	Lumberton Siding Extension	Siding extension	NO&NE Sub	22,001
Main Line	North End Meridian Double Track	Second mainline	Birmingham Sub	28,616
Main Line	Toomsba Siding Extension	Siding extension	Birmingham Sub	23,322
Main Line	Moundville Siding Extension	Siding extension	Birmingham Sub	20,711
Main Line	Fleming Siding Extension	Siding extension	Birmingham Sub	15,982
Main Line	Foster Siding Extension	Siding extension	Birmingham Sub	13,128
Main Line	Temple-Taylor Siding Extension	Siding extension	Birmingham Sub	11,414
Main Line	Cleveland to Conway Cab Signal	Signal	Cleveland Line, Fort Wayne Line	34,283

Investment Type	Project	Facility or Project Type	Location	Investment (\$000s)
Main Line	Conway to Harrisburg Cab Signal	Signal	Pittsburgh Line	37,308
Main Line	CTC Hatfield Junction to CP Georgetown Project	Signal	Southern East Subdivision	30,249
		Total		\$923,273

121. Applicants plan to fund these projects with available cash flow. Applicants' Proforma Income Statement (Exhibit 17) in Volume 1 of the Amended Application shows UP/NS will have sufficient cash flow to support the capital improvements needed to accommodate the traffic levels projected in the Growth Plan.

V. Information Technology Systems

122. Accurate and timely integration of IT systems will be vitally important to achieving the benefits of the proposed merger, including maintaining and improving service performance. Running a railroad requires coordinating operations of main lines, terminals, crews, locomotives, and rail cars, interacting with customers and other railroads, and managing back-office activities. Data points are received, synthesized, and reviewed, and instructions must be transmitted so that freight moves safely and on time. IT systems make this possible.

123. Applicants have established guiding principles and implementation practices to ensure successful integration of their IT systems. Section V.A of this IT integration plan describes the guiding principles of our systems integration. Applicants have been critically assessing their existing IT systems and have developed plans to first maintain and then improve service quality after merger.

124. Immediately after the transaction closes, Applicants will continue to rely on their existing, effective IT systems, discussed in more detail in Section V.B. Applicants will take steps to create visibility into each railroad's existing systems, data, and IT operations, which will allow the combined UP/NS to quickly address issues and support customers and their shipment needs.

125. Applicants plan to execute IT integration in phases. As discussed in Section V.C, the first phase will be to configure the existing UP and NS IT systems to execute a single strategic operating plan across the combined rail network. In subsequent phases, described in Section V.D, UP/NS will deepen integration of the UP and NS systems. This phased approach will give UP/NS time to ensure that integrated solutions are reliable and effective. Both railroads already operate at a high level in their own geographic footprints and can continue to function that way until systems are fully evaluated, integrated, and tested, and stakeholders are fully trained to use them. The phased approach will continue until all IT systems are consolidated into an integrated solution.

126. Applicants will follow a defined process for IT integration. Section V.E outlines the processes Applicants intend to use when integrating their systems. The ultimate goal will be best-in-class systems that enable safe, reliable operations throughout the entire, combined network.

127. Applicants aim to complete integration in three years following the finalization of the transaction. Applicants will invest approximately \$798 million over this period to fully integrate their technology portfolios.

128. As discussed in Section V.F, each railroad has a proven track record of successfully implementing new IT systems that provide benefits to stakeholders, including foundational operating systems. Applicants will use best practices from these experiences and the entire railroad industry.

A. Guiding Principles of the UP/NS IT Integration Plan

129. Applicants have developed guiding principles for the IT integration process, to help ensure the integration supports a more competitive company that better serves its customers. The principles are as follows.

130. *Safe operations, always.* Integration should prioritize the safety of employees, contractors, customers, and communities.

131. *No loss of service or capacity.* Integration should occur without material disruption to the systems needed to run the combined railroad. IT integration will be meticulously planned, executed incrementally where possible, and should avoid negative effects on operations or service.

132. *Prepare for contingencies.* The combined UP/NS will continuously monitor for and remediate any issues that arise in connection with the IT integration. The combined railroad will continue to maintain and enhance disaster recovery capabilities and business resumption plans.

133. *Maintain security.* There will be top-tier cybersecurity throughout the integration, protecting all platforms during the transition. Applicants are committed to ensuring the security of critical systems, maintaining the confidentiality and integrity of data, and restricting access appropriately. The combined railroad will maintain resilience of network infrastructure, as well as rigorous data protection

protocols, continuous network monitoring, and integrated incident response processes.

134. *Execute integration thoughtfully.* UP/NS will leverage existing change management frameworks and other best practices, while tailoring plans to meet specific circumstances. Integration will take full advantage of lessons learned from past integrations, as described below in Section V.F. To minimize risk and ensure smooth transitions, deployments will be incremental where possible.

135. *Measure outputs and adjust with agility.* UP/NS will regularly assess its approach to IT integration and execution results, adapting quickly to recalibrate for the best outcomes. The railroad will be transparent and update key stakeholders on progress.

136. *Maintain flexibility in integration.* Integration will be engineered with strategic flexibility to incorporate future emerging technologies.

137. *Best-in-class portfolio.* Integration's ultimate aim is best-in-class transportation systems that meet stakeholder needs and enable safe, reliable, and secure operations for the country's first transcontinental railroad.

B. Applicants' Robust IT Systems That Will Support Integration

138. UP and NS are industry leaders in IT systems, and have implemented many state of the art solutions, including artificial intelligence technologies that enhance rail safety and enable successful operations. Applicants' existing IT systems are also flexible and scalable. This means they can be—and routinely are—changed and expanded to accommodate new business requirements. These existing systems,

which are described in detail below, will continue to operate side by side while the combined company phases in its integrated IT systems.

1. IT Systems Supporting Operations

139. Applicants' railroad operations flow from their respective strategic operating plans, which are comprehensive schedules of train trips, akin to flight schedules for major airlines. UP and NS generate their strategic plans using specialized computer programs developed for the railroad industry and execute the plans using downstream IT systems. Below are the key systems that UP and NS each employ to execute their strategic plans.

140. *Shipment Management* systems serve as the primary means of tracking, recording, and managing shipments and waybills across each railroad's network. They ensure that each shipment is correctly documented and routed, so that it can move efficiently from origin to destination.

141. *Equipment Management* systems govern scheduling, tracing, and managing cycles for freight cars and other equipment. They help Applicants use their assets as efficiently as possible.

142. *Locomotive Management* systems contain planning tools for locomotive deployment. The systems provide real-time monitoring of locomotive status and location; fuel management tracking and optimization; and automated assignment of locomotives for trips based on operational demand and maintenance schedules.

143. *Train Management* systems facilitate building, managing, and monitoring train configurations, ensuring optimal train configurations for safety, efficiency, and regulatory compliance. UP's system, for example, includes a safety tool

that simulates the entire train route from origin to destination, to help check for potential car sequencing issues.

144. *Terminal Management* systems address rail yard, intermodal, and auto facility operations, managing everything from switching activities to inbound and outbound flows.

145. *Crew Management* systems ensure that crews are qualified, rested, and available for service, and facilitate regulatory compliance. These systems also assign crews to trains, call the crews to report to work, and monitor their hours of service.

146. *Engineering Track and Signal* systems monitor the health and status of the infrastructure on which trains travel. For example, UP's Track Inspection System collects information from FRA-mandated inspections, as well as inspections driven by UP's own internal policies.

147. *Car Inspection and Repair* systems log inspections, direct cars that need service or repairs to appropriate facilities, and track components as they are removed and installed. Each Applicant has thousands of safety appliances installed trackside to monitor the health of equipment as it traverses the network.

148. *Safety* systems facilitate incident management and reporting; provide simulations for engineer training; and assess train locomotive and consist configurations. Each railroad applicant has a safety management system that provides a centralized solution to report, investigate, and manage safety-related events such as injuries, equipment accidents, and grade crossing collisions. Simulation solutions create realistic training environments where engineers and

other railroad personnel can safely learn to operate trains across a variety of territories. These advanced simulation platforms use sophisticated physics engines to continuously calculate buff and draft forces, taking into account train consist, terrain, and environmental conditions. Beyond training, the simulation solutions are also leveraged to evaluate proposed train configurations. By simulating a train's journey from origin to destination, the system assesses potential issues with the specific consist and route, allowing for safe transit and proactive mitigation of risks before actual operations begin.

149. *Dispatching* systems control train movements to ensure safety and efficiency on a railway. These systems also manage mainline operations by integrating with signals, switches, and other infrastructure to facilitate the safe and efficient passage of trains throughout the network as well as controlling access to track structures, whether for mainline train movements or maintenance activities.

150. *PTC* is a safety system designed to prevent train-to-train collisions, over-speed derailments, injuries to track workers from trains entering work zones, and movements of trains through switches left in the wrong position. If another system or command would otherwise create an unsafe situation, PTC intervenes in the interest of safety.

151. These systems are extraordinarily reliable and available. These systems have a better than 99.95 percent overall availability rate in both the UP and NS networks. In the rare instance of an outage, procedures and tools are in place to detect and recover expeditiously.

2. Customer-Facing IT Systems

152. In addition to these operating systems, Applicants have customer-facing systems that help customers obtain rates, order cars, track shipments, and pay their bills. Customers can create individualized accounts to receive notifications and obtain customized reports regarding their service history. Applicants both use Salesforce as their primary customer relationship tool. Part VI of the Service Assurance Plan further describes Applicants' customer service integration plans.

3. Back Office IT Systems

153. Applicants also have a number of back-office IT systems that support corporate operations, including finance, supply, and human resources. These systems allow Applicants to complete financial reporting, manage purchasing and procurement, administer employee benefits, train employees, and maintain union relationships. Applicants use a common provider, SAP, for many of these systems.

4. IT Policies and Processes, Including Cyber Incident Response

154. Applicants have developed and implemented policies and practices that allow their IT systems to function accurately and reliably. Both companies proactively monitor for issues, even if they do not affect system availability or performance. Both UP and NS have tools that track thousands of system performance metrics daily, enabling administrators to pinpoint and address emerging issues swiftly and maintain system reliability. Applicants also have established incident response plans for IT-related service interruptions. These plans activate upon defined trigger points and initiate resolution, escalation, and communication processes.

155. UP and NS have each established disaster recovery capabilities designed to ensure rapid recovery from physical facility and technical failures. Multiple computing centers provide redundancy in case of an outage. Applications and data are continuously replicated across data centers to support recovery, and additional backup solutions are in place to address scenarios such as data corruption or ransomware. UP and NS each perform tests annually to ensure all critical applications can be recovered in the event of a disruption.

156. Both companies also have comprehensive cyber incident response plans and playbooks that address a wide range of scenarios, including ransomware, denial of service, data loss, and privacy breaches. These technical plans include clear criteria for invoking incident response, defined roles and responsibilities, reporting obligations, and detailed communication protocols to ensure rapid detection and coordinated response to a cyber event. In parallel, business resumption plans are in place to sustain services while technical teams recover affected systems, ensuring that essential services continue uninterrupted. In the extreme case of complete IT unavailability, non-digital methods can be used to conduct operations.

157. Integrated crisis management programs further support these efforts by coordinating mitigation activities and communication with customers, communities, and government agencies throughout the incident.

158. UP and NS routinely test these plans to validate their effectiveness and ensure stakeholders are prepared to respond. Both organizations also maintain relationships and retainers with outside counsel and incident response firms,

ensuring expert support is available during significant cyber events. This layered approach enables Applicants to detect, respond, and recover from cyber incidents while maintaining reliable service and transparent engagement with all stakeholders.

159. Each company undertakes significant effort to minimize the possibility of cybersecurity related risk. Applicants are both fully compliant with the Transportation Security Administration (“TSA”) Cybersecurity Directive requirements and actively participate in the rail industry’s cybersecurity efforts through the Rail Information Security Committee (“RISC”) that is managed and governed by the industry’s trade association, the Association of American Railroads (“AAR”). RISC consistently engages with government agencies including the Federal Bureau of Investigation, the Cybersecurity and Infrastructure Security Agency, and TSA for threat intelligence and cybersecurity briefings.

160. Finally, both companies are committed to continued investment in industry-leading technology innovations that strengthen operational performance, safety, and customer value. UP has demonstrated this through automated gating technologies, advanced hump and yard control systems, and its resource optimization solutions. NS similarly has demonstrated this through its leadership role with RailPulse, an industry organization that outfits sensors on railcars and centrally collects and shares this information with customers and car owners. NS also has leveraged advanced analytics and machine learning to optimize train routing and maintenance planning.

5. Existing Collaboration

161. Applicants also have a decades-long history of successfully building interoperable systems that railroads can use to communicate with each other. Applicants will build on this success to ensure successful IT integration.

162. UP, NS, and other railroads have long acted as partners to serve common customers. This stems from the fact that railroads have tracks in different areas of the country. Indeed, interline shipments that involve more than one railroad comprise greater than 40 percent of UP’s total traffic. Slightly more than 10 percent of UP’s traffic is interline with NS.

163. To facilitate interline shipments, the industry has developed predefined Electronic Data Interchange (“EDI”) standards for sharing the most common operating data, including waybills, and train interchange notifications. UP and NS will build on this foundation and expand it by establishing new message formats to support integration of applications across the broader application portfolio during the interim state. Additionally, existing data-sharing practices, such as those used in PTC, further demonstrate the effectiveness of interoperable messaging systems in supporting safe and coordinated operations.

C. Initial IT System Integration

164. Applicants expect to implement the initial phase of their IT integration during roughly the first 90 days after the transaction is finalized. Immediately following close of the transaction, IT systems supporting each company will operate side-by-side, largely independent of each other. This will preserve current service operations until consolidated solutions can be deployed without disruption.

165. The first IT integration steps will support Applicants’ implementation of a single strategic plan. Applicants expect that one master plan will account for all operational resources—track, locomotives, cars, crews, and terminals—across the UP/NS system. This will allow Applicants to begin to deliver the benefits of integration immediately, including reducing interchanges.

166. The existing IT systems of UP and NS will execute this unified strategic plan through their respective existing networks. These systems are designed to, and in practice regularly do, implement changes to strategic and tactical plans as business needs dictate.

167. UP/NS will build additional IT tools on top of these systems, and additional linkages between the companies as necessary, to support efficient operations and service reliability.

168. A critical early task will be to establish comprehensive visibility across the operations of both railroads. To achieve this, Applicants will create secure paths and provision access between the two companies, ensuring that appropriate UP and NS users have access to each other’s systems. This immediate step will allow staff in both organizations to begin sharing operational information and familiarizing themselves with each other’s IT environments, laying the groundwork for seamless collaboration.

169. In parallel, Applicants will establish a shared platform that enables both companies to contribute and access operational performance data. This will

enable real-time monitoring of nationwide train movements and system-wide availability of key resources such as cars and locomotives.

170. Applicants will also focus on defining and implementing a common set of key commercial and operational performance metrics. These metrics will allow data reported from different systems that perform similar functions to be effectively compared and analyzed, providing a unified understanding of operational performance.

171. Another key early priority will be developing and deploying solutions for customer-facing interactions. As described in more detail in Part VI of the Service Assurance Plan, Applicants intend for all customers to interact with the newly merged company through UP's current website. Through this page, customers will have access to the tools they previously used at NS and UP as well as information regarding their shipments, invoices, and customer service requests. Trained customer representatives will be available throughout the integration process to provide support to ensure the transition is seamless. As with transportation systems, however, during the initial phase of integration the existing customer IT systems of UP and NS will continue to operate in parallel to accept, process, and resolve customer communications.

172. Finally, during the initial phase of integration, UP/NS intends to quickly begin work toward a unified cybersecurity incident response plan and a coordination of cyber policies across the combined UP/NS.

D. Subsequent Phases of IT System Integration

173. After the initial phase of integration, Applicants intend to begin deeper integration and optimization of their IT systems, including transportation systems and customer service and back-office systems. As explained above, many UP and NS systems will operate in parallel during Year 1. In particular, this will be true for most systems controlling train operations, which will require extensive testing and planning to integrate successfully. But substantial progress toward full integration is expected in Year 1, including the following actions.

174. *Safety Simulations.* UP/NS will expand upon existing train and locomotive simulation tools to cover the entire unified network, enhancing safety assessments of combined routes. As noted, UP's systems utilize a physics-based engine to simulate a train's journey from origin to destination, projecting how the proposed train consist will respond to expected track conditions. Applicants intend to include NS track data in UP's tools.

175. *Customer Experience.* In Year 1, UP/NS will work to provide integrated platforms for customer shopping, as well as a single customer support process.

176. *Policies and Processes.* Another early priority of UP/NS will be coordinating IT policies and processes across the combined operations. In Year 1, Applicants expect to coordinate infrastructure operations teams and their incident escalation processes, as well as implement common security policies and preventative controls.

177. *Reference Data.* Applicants will work to create an integrated set of reference data to support the operations and integration of existing systems. For

example, Applicants will generate a single master list of customers with unique identifiers for internal use throughout the entire organization.

178. In Years 2 and 3, Applicants intend to begin integrating operating systems. Principally, Applicants expect that UP will deploy its NetControl system across the NS railroad. Fully deployed at UP in 2024, NetControl is a state-of-the-art transportation management system that facilitates critical functions related to train operations. NetControl encompasses, or is highly integrated with, most of the IT systems that support UP's operations, including train, terminal, shipment and waybill, crew calling, scheduling, locomotive, and equipment systems.

179. Beginning in Year 2, Applicants expect to complete development of an implementation package for NS operations that includes most of NetControl's core functions, such as train, terminal, shipment and waybill, crew calling, intermodal, locomotive, and health and equipment functions. UP/NS will build a virtual testing and validation environment to ensure that this package is effective for NS assets. It will also establish a training environment to enable employee training in advance of a transition.

180. This package will be implemented in accordance with a phased plan, with contingencies for rollback in the event of an unexpected issue. For example, UP/NS may initially deploy NetControl for limited geographic areas or routes of the legacy NS system before expanding the implementation wider and eventually to the entire NS Network. This approach will minimize disruption risk while allowing early delivery of service benefits to customers.

181. Also beginning in Year 2, Applicants expect to start integrating the commercial systems of UP and NS, including by offering unified solutions for customer order submission and pricing.

182. Alongside these improvements to IT systems, Applicants intend to migrate each company's data into a single storage facility, thereby eliminating the need to query separate, corresponding databases to obtain complete information across the combined UP/NS operations.

183. In Year 3, Applicants plan to begin integrating other operating systems, including dispatching, mechanical, and engineering systems. Applicants also plan to consolidate PTC applications in Year 3.

184. Applicants intend to invest \$798 million over this period to integrate their IT systems. This will enable them to realize synergies, manage transition risks, and ensure that the combined rail network operates on best-in-class, reliable, and effective systems.

E. Risk Management for IT Integration

185. When deciding whether and how to integrate IT systems, UP/NS will apply the principles and framework outlined above in Section V.A. Applicants' IT leadership will oversee the IT integration process in coordination with a centralized Integration Management Office.

186. Each integration decision for a specific application will follow one of three common approaches:

- **Interim Integration with Unified Access.** In some cases, UP/NS may implement a more integrated—but still interim—solution. For example, shortly after the transaction, customers will be provided with

a single access point for service. From this access point, they may be directed to either the existing UP or NS system depending on the nature of their inquiry. In certain cases, customers may be able to conduct all business through a unified interface, even though the underlying systems remain separate. This approach allows for a seamless customer experience while full integration is still in progress.

- **Direct Transition to End-State Systems.** In other cases, it may be more effective to move directly to the intended end-state solution, such as transitioning additional operations to a preexisting solution currently in place, developing a new in-house solution, or acquiring a new solution from an external vendor.
- **Deferred or No Integration.** Some systems may not require integration in the near term—or at all. For instance, NS systems that support unique business processes, such as coal sorting and loading facilities not present in UP’s network, may continue to operate independently without requiring direct interaction with UP systems.

187. System integration projects must manage common risks such as malfunctioning features, inaccurate or incomplete data migration, and issues with transactions initiated immediately before integration begins—all of which can disrupt service. These risks will be mitigated through thorough testing, phased rollouts, and post-implementation data validation. UP/NS will leverage third-party validation as needed to supplement internal capabilities. Data migration strategies include using checkpoints and reconciliation tools to ensure data integrity, while legacy systems may be temporarily retained to support rollback and continuity.

188. As explained below, UP/NS will further support these projects with careful preparation, robust training, and clear and consistent communication. Effective training empowers internal users and external customers to adopt new systems seamlessly, which in turn makes data more accurate and complete. Coordinated communication across departments and field teams helps prevent delays

and errors. Applicants intend to use early engagement with frontline staff, tailored training programs, and ongoing support to build momentum and buy-in for successful IT systems integration. Where possible, Applicants will implement integrations incrementally to minimize risk and support effective change management, such as phasing in use of NetControl across NS's different geographic territories and lines as discussed above.

189. Applicants will begin each IT integration project with a thorough analysis of how the change could impact different groups, using stakeholder and impact assessments to identify who may be affected and to what degree. This analysis will inform the design of a comprehensive change strategy. The strategy also will draw on successes with and lessons learned from analogous past integrations at UP and NS.

190. UP/NS will define in advance key metrics to track system health and service during integration and monitor progress in real time. These metrics will include not only traditional indicators of system performance and availability, but also early indicators of potential issues, such as trouble tickets and defects reported. By tracking these issues closely, Applicants will be able to identify emerging problems, assess the effectiveness of mitigation strategies, and better ensure that any disruptions are addressed promptly.

191. UP/NS will also develop comprehensive plans for data migration to ensure the secure and accurate transfer of information between legacy and new systems, implement necessary changes to system interfaces so that applications can

communicate effectively, and identify unique business process changes that must be accommodated in the integrated system.

192. UP/NS will conduct comprehensive functional and performance testing and validation using representative test data, as well as rigorous end-to-end testing to ensure that all features work as intended and integrate seamlessly with other solutions. This will create confidence that the systems will perform as intended before they are implemented. UP/NS will establish a dedicated test environment that includes all necessary and master reference data to support both functional and performance testing using representative test datasets. For example, testing of consolidated shipment management would involve running waybills through the test system to confirm successful processing of a wide variety of origin and destination pairs, commodity codes, weights, etc. By conducting these tests in pre-production environments, UP/NS will keep production systems unaffected by the testing process. Additionally, UP/NS will employ user acceptance testing to verify that new solutions meet user requirements and expectations. This methodical, layered approach to testing—refined through UP’s successful implementation of NetControl and other major IT projects at both UP and NS as discussed below—will help Applicants identify and resolve issues early, minimize risk, and support smooth, successful IT integration.

193. Drawing on best practices from recent integrations, such as the successful rollout of the A&S systems discussed below in Section V.F, UP/NS will provide stakeholders appropriate training before implementation of system changes.

Applicants intend to develop a comprehensive communication plan and related materials, provide milestones, and track current status. Training will be delivered through a combination of online modules, quick reference guides, and hands-on support. Resident experts and local advisors will be available on-site to address challenges, answer questions, reinforce learning, and support during and after the transition. Employees and customers will have the opportunity to familiarize themselves with new systems well in advance of integration. Multiple “dress rehearsal” sessions will be planned to ensure a seamless transition. Field implementation teams and trusted instructors will provide direct assistance, while train-the-trainer sessions will help cascade knowledge throughout the organization.

194. When a new system goes live, experts will provide support to address any questions that arise. Support staff typically will be on site, available to sit shoulder-to-shoulder with end-users during their transition. UP/NS will introduce significant technology changes with both on-site support and 24/7 expert availability.

195. Applicants plan to establish feedback loops to capture stakeholder input and monitor engagement throughout the IT integration process. Real-time feedback will be incorporated into future training materials and quick reference guides to address any previously encountered issues. This iterative approach, with a focus on safety and regulatory compliance, helps employees and customers gain confidence in the new system and supports long-term organizational success.

F. Applicants’ Successful Management of Transition Risk in Prior IT Projects

196. When the combined UP/NS integrates the IT systems the two railroads use today, it will be building on a decades-long history of interoperable systems. UP, NS, and other railroads have long acted as partners to serve common customers using their respective tracks in different areas of the country. As explained above, interline shipments that involve more than one railroad comprise greater than 40 percent of UP’s total traffic, and more than 10 percent of UP’s traffic is interline with NS.

197. To facilitate interline shipments, the industry has developed predefined EDI standards for sharing common operating data including waybills, as well as train interchange notifications. Other data-sharing practices, such as those used in PTC, further demonstrate the effectiveness of interoperable messaging systems in supporting safe and coordinated operations. UP/NS intends to expand upon these existing practices by establishing new message formats to support integration of applications across the UP/NS system.

198. Both Applicants, moreover, have extensive track records of successful IT system integrations in their own operations. This experience shows that Applicants can schedule and accomplish integrations without impacting operations, migrate large volumes of critical data without loss, prepare internal and external stakeholders to use new systems, and effectively implement process improvements based on lessons learned.

199. For instance, in January 2024, UP executed a complex change-over to NetControl without service interruption. As noted earlier, NetControl is UP’s

industry leading, internally designed and built transportation-management system. It synthesizes tremendous volumes of real-time operating data and is deeply integrated with many key operating, customer, and financial systems. UP executed a complex change-over from a 55-year-old mainframe system to a modern car scheduling system inside NetControl, transitioning the entire network within three hours with no service interruptions.

200. In October 2025, UP implemented NetControl (as well as several other platforms) in one of its operating subsidiaries, the A&S, without service disruption. UP trained all users in advance of implementation, and secured stakeholder buy-in regarding the benefits of the new system. This experience specifically demonstrates UP’s ability to implement a mission-critical platform at a railroad that has its own employees, processes, and culture.

201. Beginning in 2020, UP implemented its dispatching system, CADX, without service interruption by utilizing an incremental change methodology. UP implemented CADX over 17 months, starting with just one territory or dispatcher desk in the Pacific Northwest. This location was selected for the initial rollout because it had a relatively low volume of traffic and simple train movements. From that starting point, UP incrementally expanded CADX to cover all of its 32,880 route miles and related operations. A similar, phased-in approach is planned for dispatch changes in NS territory.

202. NS similarly used an incremental approach to implement its modernized dynamic train service registry (“DTSR”) in 2025. DTSR is a core

transportation component that manages the execution of NS's real-time train operating plan. The incremental migration of DTSR off mainframe technology facilitated NS's ability to revert if an issue was identified. After its successful implementation, DTSR now provides NS flexibility to integrate with UP operational systems.

203. In the last two years, both UP and NS have replaced their core PTC data center infrastructure. UP's replacement occurred over multiple maintenance windows, while NS accomplished this as part of a routine hardware refresh. Despite the complexity and safety-critical nature of the task, both companies maintained uninterrupted PTC operations throughout their transitions.

204. UP's experience with IT system changes also includes successfully migrating large volumes of important business data. Specifically, UP recently transitioned its core financial services systems—including accounting, payroll, and accounts payable—to an SAP-managed cloud environment in just eight months. This rapid implementation is noteworthy given the scale and complexity of the upgrade, which included moving from an on-premises solution to a primarily cloud-based platform. Despite these challenges, the transition was completed without service disruptions or data migration issues. In recognition of this achievement, SAP honored UP at its international conference for the speed and quality of the implementation.

205. UP likewise has had recent success in launching new customer-facing systems. In 2025, UP launched a new Customer Portal, providing a unified interface for customers to view and manage their shipments. This upgrade was rolled out

through a collaborative approach, beginning with a pilot group of 40 customers who helped shape the design and requirements of the new system. UP adopted a segmented rollout, introducing the solution sequentially to specific customer groups to test and optimize before full deployment. Alongside the portal, UP introduced a centralized exception management tool that allows users to prioritize and resolve shipment issues within a single interface. These enhancements received positive customer feedback and broad adoption, confirming their thoughtful implementation with a focus on usability and customer benefits.

206. Indeed, both UP and NS well know that robust engagement with users can be essential to meeting IT goals. UP, for example, successfully implemented Terminal Command Center, a platform that provides a comprehensive dashboard of all activities within a terminal, by tailoring the solution to meet each terminal's unique business requirements and providing on-site training so that each team became fully comfortable with the system before it went live. UP also developed a mobile application called UPGo Dray Driver Mobile Experience that allows truck drivers to pre-clear their reservations and enter a terminal without stopping. Coordinating with local trucking and driver communities, UP operating and tech personnel provided one-on-one support and training, assisting drivers with installing, registering, and using the application. The result of this sustained commitment has been an industry-leading 92 percent adoption rate for the UPGo mobile application.

207. In 2024, NS successfully implemented intermodal stacking technology at its core intermodal terminal in Austell, Georgia. This included introducing a

reservation system that improved management of the flow of containers coming in and out of the terminal and reduced the time required for truckers to drop off or pick up containers. NS designed and built the system with input from multiple customers and local site personnel, provided training, and closely coordinated with stakeholders during launch. NS continues to successfully deploy this best-in-class system, each time providing extensive communications and training.

* * * *

208. In sum, Applicants are well positioned to integrate their IT systems while maintaining safe, reliable operations and uninterrupted customer service. UP and NS have developed and are operating industry-leading IT systems; they will bring this expertise to the implementation of advanced IT systems across the integrated entity. The existing UP and NS systems line up well from a functional perspective, which will facilitate integration. The process of IT integration has begun with extensive study of the railroads' existing systems and lessons learned from past integrations. After the transaction closes, UP/NS will follow a defined process, informed by best practices, to plan and execute an incremental, phased integration that builds on both railroads' record of successful IT transitions.

VI. Customer Service Integration Plan

A. Overview

209. To realize the full benefits of the proposed merger, Applicants must successfully integrate the UP and NS customer service operations and meet high standards for customer interactions. Applicants have robust programs that provide excellent customer service and will continue to do so after integration. Applicants are

dedicated to executing a careful and coordinated strategy to integrate their customer service functions, as outlined below. The existing customer service frameworks of both railroads are being meticulously evaluated, and Applicants are planning to deliver customer care benefits soon after the close of the transaction, along with longer-term improvements.

210. Applicants intend to integrate the customer service functions of UP and NS over a three-year period after the close of the transaction, consistent with the framework detailed in Section VI.B. The objective of the framework is to maintain excellent customer service, including systems that support reliable operations across the combined network both during and after the integration.

211. Initially after the close of the transaction, UP/NS will continue utilizing the current customer service systems of UP and NS. The combined railroad will maintain the service levels of these systems and minimize customer disruption. The combined UP/NS will then integrate customer service in stages. Initially, as described in Section VI.D, Applicants will implement a unified strategic operational plan across the entire rail network to optimize routing and minimize car touches. This will provide immediate service improvements without overhauling existing frameworks, allowing customers to quickly receive benefits from the integration.

212. Creating transparency between the UP and NS customer service processes will be a top priority so that UP/NS personnel have access to operational status information across the combined system. This is essential for swiftly resolving issues and maintaining strong customer relations. Standardizing and enhancing

communication points for customers will also be an early focus after the merger. This strategy for the initial stage of integration will allow safe and smooth operations to continue while new systems are thoroughly evaluated and tested, and stakeholders are trained.

213. Later phases will enhance integration further, with existing processes remaining in place until they are replaced by a unified approach. Interim solutions also may be used as more comprehensive, long-term systems are developed and deployed. Section VI.E discusses these phases of the integration.

214. As explained in Section VI.F, UP and NS both have histories of adopting new customer service systems that benefit stakeholders, with minimal disruption. Applicants are focused on the lessons learned from these successful implementations, as well as best practices from across the railroad industry. Applicants intend to apply those lessons to the integration process so that UP/NS customers will continue to receive excellent—and even better—customer service during and after merger integration.

B. Applicants’ Guiding Principles

215. UP and NS take similar approaches to customer service, which will be continued following the merger. For both Applicants, the core principles of their customer care operations are the following:

216. *Prioritize Safety.* Safety is Applicants’ highest priority, and the integration process will be conducted in a way that ensures customer shipments are handled safely, keeping customers, our employees, contractors, and communities safe.

217. *Ensure Service Continuity.* Applicants are dedicated to maintaining uninterrupted service and capacity throughout the merger integration process. Integration of customer service operations will occur without disrupting the systems that facilitate critical railroad functions.

218. *Execute Thoughtfully.* By leveraging established change management frameworks, UP/NS will tailor its integration plans to specific needs and lessons learned from previous experiences. An incremental approach will be used where feasible to reduce risk and ensure smooth transitions.

219. *Measure Results.* UP/NS will continuously assess the effectiveness of its customer service integration, remaining agile to change course when necessary. Transparency with customers will be a key focus, and customers will be kept informed of progress and changes.

220. *Uphold Security Standards.* UP/NS will maintain high standards of system security and availability during the integration. The integrity of all customer interactions will be safeguarded throughout this transition, ensuring transparency and trust.

221. *Prepare for Contingencies.* Applicants intend to sustain readiness for unexpected events or external disruptions by continuing to enhance disaster recovery capabilities and business resumption plans.

222. *Plan for the Future.* Recognizing that customer expectations and industry standards evolve, Applicants are planning integration with a long-term

perspective. The aim is not only to maintain but to enhance current service offerings, delivering an improved experience for all stakeholders.

223. *Strive for Excellence.* The ultimate goal is for the combined UP/NS to achieve a best-in-class customer service portfolio that supports the reliable operations of the nation’s first transcontinental railroad.

C. Current Practices

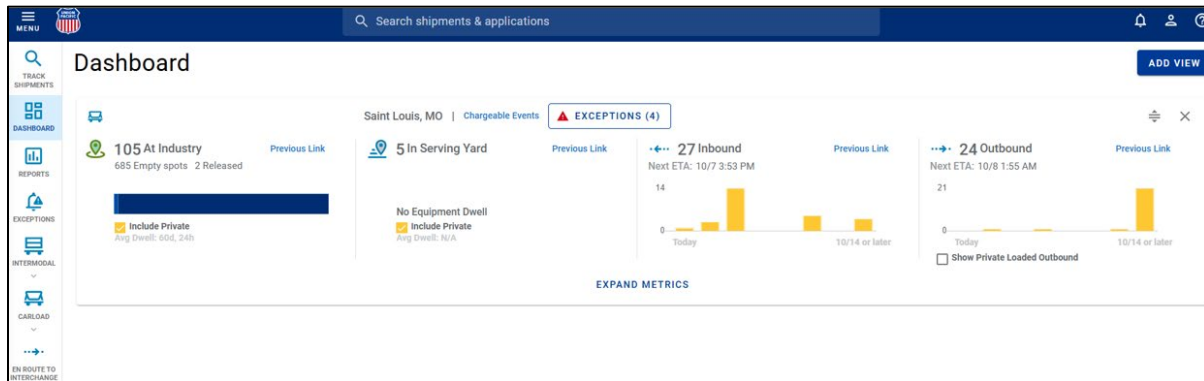
224. In practice, both Applicants implement the guiding principles described above by focusing on solving problems at their root cause, aiming for lasting resolutions, and preventing recurrence. UP and NS educate both external and internal customers and position them for future self-help solutions, including by introducing customers to the various tools and technologies available, as well as making sure they have access to solution-oriented support.

225. *UP’s Customer Service Systems and Staffing.* Most UP customers handle their interactions at UP.com, which features “MyPortal.” MyPortal serves as a centralized landing page for customers to manage their shipments with UP. It consolidates several high-usage applications into a streamlined interface, enabling users to quickly retrieve shipment details, monitor exceptions, and access tools without navigating across multiple pages. Upon initial login, customers are prompted to select preferred locations, allowing the system to tailor content and functionality to their specific operational footprint.

226. MyPortal provides real-time visibility into shipment exceptions, which empowers customers to address potential disruptions before they escalate and thereby mitigate risk and enhance supply chain reliability. The portal also introduces

structured navigation under three categories—Plan, Ship, and Pay—promoting clarity in application access and usage.

Figure 10: My Portal Dashboard



227. Customers have expressed satisfaction with UP’s MyPortal website. A few examples of customer feedback from 2025 are:

- From a major pulp and paper company: “Just keep doing what you’re doing because you have the best user-friendly website of all the railroads operating in [the] U.S.”
- From a premier transportation service provider: “Your site is so much better than your competitors. I love that it shows when [the shipment is] load pending, when it’s on rail, the ETA when it’s available, and the [Last Free Day].”
- From a leading household products manufacturer: “[E]very time more perfect, thank you for all the improvement on this web.”
- From a top-tier poultry company: “Best railroad website . . . [T]wo thumbs up as always!”

228. UPGo is UP’s mobile app designed to enhance the intermodal terminal experience for dray carriers. UPGo has been a key part of UP’s digital transformation, achieving high adoption rates and contributing to improved operational efficiency. It streamlines gate processes by enabling pre-ingate and pre-outgate validation, real-time parking updates, and access to electronic J1s (the ingate/outgate receipt), all of

which significantly reduces dwell time and gate errors. The UPGo app is integrated with Precision Gating Technology, allowing for faster, automated entry using machine vision. UPGo also supports multiple languages and is available on both Android and iOS platforms.

229. When customers encounter an issue they cannot address through self-service via MyPortal or UPGo, UP’s Customer Care & Support (“CC&S”) Organization provides assistance. CC&S has two customer call centers—one for general inquiries, and one for international inquiries in which customer service agents offer bilingual English/Spanish assistance. These customer call centers are available 24/7 and support a variety of needs, including issues around transactional support, waybills, customer-facing technology, intermodal ramps, and user IDs. UP uses an automated call routing platform and internal applications to route customer calls to the agent that is best positioned to solve the customer’s issue during a single interaction. UP’s call centers are at the forefront of the railroad industry with a speed to answer time of less than 60 seconds, a call abandonment rate of just 1 percent, and a customer satisfaction rate of 94 percent.¹⁴⁶

230. Behind these call centers and customer-facing applications stand the Customer and Transportation Solutions groups in the CC&S Organization. The Customer and Transportation Solutions groups work within the Case Management application and handle more complex, non-transactional issues. These groups are organized much like freight moves on the railroad, including a Manifest Solutions

¹⁴⁶ See Workpaper “CC&S Tableau Scorecard 04/27/2026.pdf.”

team that handles single car issues, an Intermodal Service Solutions team that handles the intermodal side of the industry, an Automotive Solutions team that handles finished vehicles and automotive parts, and a Unit Train Solutions team that handles full trains typically stocked with coal, soybeans, grain, and other commodities.

231. All customer interactions are tracked in Salesforce. In addition to serving as a comprehensive repository for customer communications and feedback, Salesforce enables the team to analyze collected data, identify trends, and resolve issues more efficiently. By leveraging this information, the CC&S Organization continuously improves its processes and technologies to enhance the overall customer experience.

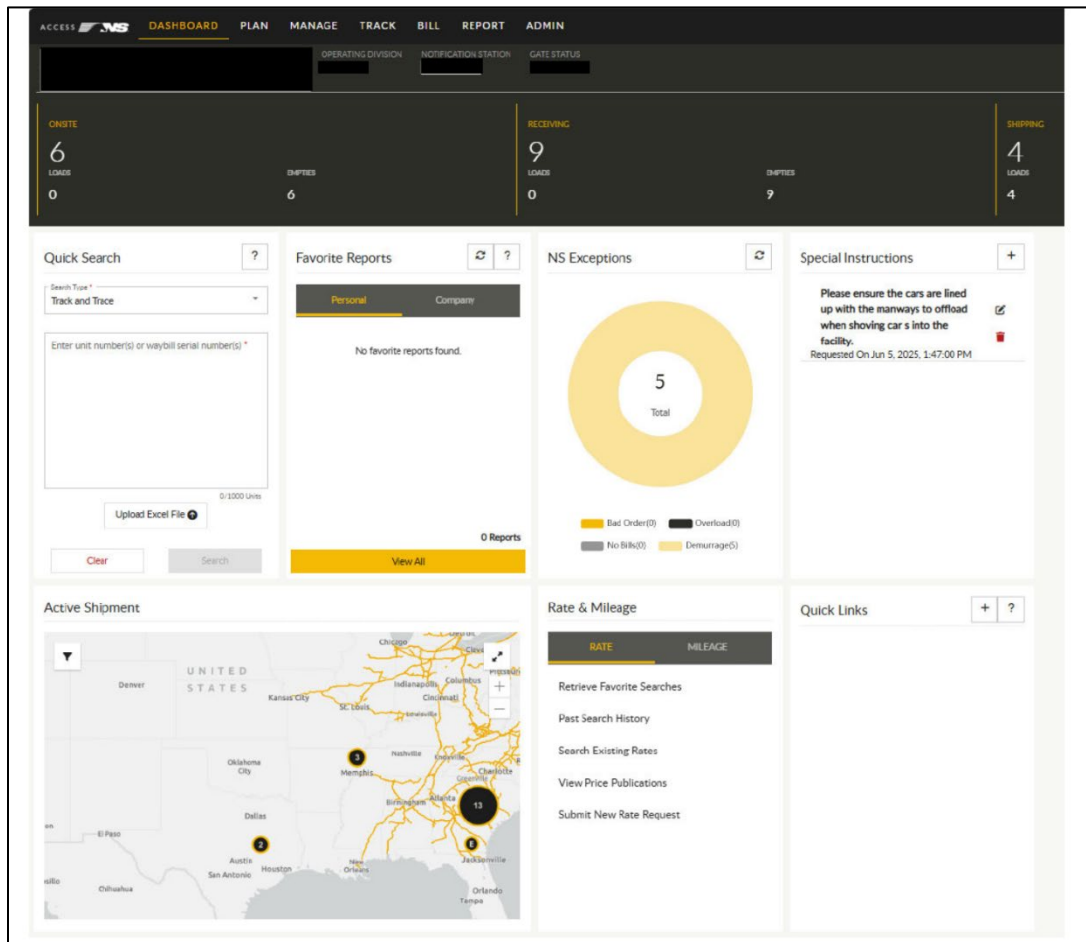
232. *NS's Customer Service Systems and Staffing.* NS likewise provides exceptional customer experiences through proactive and effective communication, advanced technologies, and best-practice processes, while maintaining a people-oriented approach.

233. AccessNS is the primary customer portal that allows NS customers to learn or confirm details of their service, including inventory management, current location, and ETA for railcars. Through AccessNS, customers can also manage subscriptions and exceptions, create and manage support cases, access internet bills of lading, view and dispute freight bills, receive waybill updates, submit rate inquiries and rate requests, and make intermodal reservations.

234. NS recently redesigned AccessNS to improve visibility into, among other things, the status of NS local service and delayed shipments. Based on customer feedback, NS designed the system so that notifications are customizable and proactive. For example, customers can choose a specific delay threshold for a notification and can specify their most critical commodities.

235. A screenshot of the AccessNS dashboard is below:

Figure 11: AccessNS Screenshot



236. NS customers can also use ExpressNS+, a mobile application that streamlines gate and terminal processes for NS's drayage community. Using ExpressNS+, drivers can verify billing, submit pre-gate information, obtain parking

and pickup locations, receive electronic interchange receipts, and submit bad order information.

237. When customers cannot resolve an issue themselves, NS's virtual assistant is able to answer basic questions instantaneously. If more assistance is needed, the customer can use AccessNS to open a case with NS's customer logistics team, without having to make a phone call or send an email. Each case is routed to teams of individuals who specialize in the particular customers' traffic type. NS's robust customer logistics team provides specialized service based on the type of cargo (*i.e.*, coal, grain, paper, consumer goods, metals, construction, chemicals, plastics, waste), with dedicated customer logistics teams for intermodal and automotive customers. Customer inquiries opened with AccessNS are fed directly into ConnectNS, which is NS's Customer Relationship Management tool, powered by Salesforce. ConnectNS supports superior case management and organization that in turn allows faster handling of issues and a high-quality experience for the customer.

238. Customers may choose to call NS for help with their specific inquiry or concern. NS has an integrated call routing platform that provides phone routing when customers call to talk to a Customer Logistics Specialist. All calls are logged as cases in ConnectNS.

D. Initial Customer Service Integration

239. Applicants have developed plans to ensure that from Day 1 of the UP/NS integration, UP and NS customers will experience an uninterrupted transition of customer service and only improvements in service quality. Initially, both UP and NS customers will continue to interact with the same contacts they have had, through

the same channels. For example, the railroads' existing MyPortal and AccessNS systems and customer service contact phone numbers will still be used. UP and NS customer service centers will remain in place, following their established procedures. This continuity is intended to prevent confusion or disruption in how customers receive support immediately after the merger.

240. The immediate visible change for customer engagement will be an updated web presence: On the first day of combined operations, Applicants intend to launch a single public-facing website for the combined company, integrating UP's and NS's online presence. NS's external website content will be consolidated into UP's site, giving customers a unified portal for information about the new network. This integrated website will clearly direct users to the appropriate customer tools (in particular, the MyPortal and AccessNS logins), so customers will not need to learn any new systems. The NS website will remain operational, but it will funnel traffic toward the consolidated UP website for convenience. UP/NS will notify customers about the new unified portal and support channels, providing instructions to ensure the transition is seamless.

241. Even though existing personnel, systems, and processes will remain in place, shippers immediately should enjoy a better customer experience due to coordination between the UP and NS customer service teams. Shippers that previously had to interact with both UP and NS to investigate or address issues with transcontinental shipments will no longer need to do so, as UP and NS customer service teams will be able to coordinate behind the scenes. UP/NS will establish joint

escalation paths and hand-off protocols for inquiries that span across the legacy UP and NS networks. For instance, UP's CC&S staff will have direct lines of communication with the NS Customer Support team, so shippers get unified, comprehensive answers even if both legacy territories are involved. These cross-company coordination and escalation channels will help ensure that even complex transcontinental service issues are addressed promptly through internal collaboration, setting the tone for the broader integration to come.

242. To safeguard against unforeseen issues in the initial stages of the integration, UP/NS will also adopt a command center support model supported by joint performance reporting from the legacy UP and NS systems, enabling supervisors to monitor call volumes, case resolution times, and any customer complaints in real time. This close oversight, backed by redundant resources and contingency plans such as surge staffing protocols and dual-run system backups, will provide an extra layer of security for maintaining customer service continuity after the closing date.

E. Applicants' Plans for Subsequent Seamless Integration of Their Customer Service Systems

243. Integration of UP/NS's customer service functions relates closely to integration of the combined railroad's IT systems. For instance, both Applicants have IT systems that allow customers to obtain rates, order cars, track shipments, and pay their bills. One of the merger's benefits is that customers of each railroad will be able to use a single railroad's systems for all those functions when shipping coast to coast. Many customers, however, will have to learn to navigate new systems to fully enjoy

those benefits. Applicants are carefully planning for that process, both in terms of staffing and training their customer support functions and steps to familiarize customers with new processes and procedures.

244. *Phased Integration.* Recognizing the inherent complexity of merging two distinct customer service systems, the combined UP/NS will proceed toward full customer service integration deliberately and incrementally, drawing upon best-in-class tools and processes from both companies to ensure that every point of interaction between customers and the railroad achieves a high standard of excellence.

245. In the first year following the merger, customer service associates will be trained to resolve customer cases originating in either the UP or NS networks. There will also be mapping of customer data and records as well as data migration and system cutover planning.

246. As an interim step prior to full customer service system integration, Applicants plan to develop a single website that brings together the MyPortal and AccessNS customer service systems. Later, a consolidated customer portal will be launched so that MyPortal and AccessNS interface into a single platform. This consolidated customer portal will be accompanied by unified customer service network infrastructure and call center telephony.

247. Applicants expect that UP/NS will move towards having one customer service center in Omaha, Nebraska. The unified customer service center will be appropriately staffed to support the combined operations and is expected generally to

reflect the existing structure of UP's customer service organization. The service center team will have end-to-end visibility across the combined railroad, allowing customers a unified customer service team with a single set of processes and language throughout the length of a shipment. This will reduce complexity for the customer and railroad customer service teams alike.

248. *Employee Training.* As part of the integration, UP/NS employees will undergo targeted training on the various customer support systems, with a focus on cross-platform familiarization and operational continuity. For legacy NS personnel, this training will include guided walkthroughs of UP systems such as MyPortal Dashboard, NetControl, and Salesforce Case Management. UP personnel will receive training on NS platforms like AccessNS and ExpressNS where applicable. System-specific training will be delivered through a combination of digital modules, live demonstrations, and job aids, ensuring that employees are equipped to navigate both legacy and integrated environments.

249. Team members from both the UP and NS systems will also participate in ongoing learning activities that cover not only technical systems and procedures, but also best practices in customer communication and problem-solving.

250. In addition to training on the UP and NS legacy systems and ongoing employee development, Applicants intend to implement targeted training on operational changes associated with the integration. These programs will include cross-system familiarization, updated workflow procedures, and customer interaction protocols aligned with the unified service model. Training will be delivered through

a combination of instructor-led sessions, digital modules, and hands-on practice. There will also be feedback mechanisms to continuously refine training content and ensure alignment with evolving operational needs.

251. *Customer Experience.* A key focus of this integration is a thoughtful and thorough onboarding experience for customers as they are introduced to new tools, technologies, and contact points. Applicants will provide informed guidance, personalized tutorials, and dedicated support to ensure customers feel confident and empowered as they navigate the integrated systems. The approach includes proactive outreach, clear communication about the benefits and functionalities of the new tools, and opportunities for customers to offer feedback and ask questions.

252. The overall objective for integrated customer service is centralized visibility and unified customer support, with a focus on:

- **Shipment Visibility:** Customers will gain access to all active shipments across the transcontinental network through the web, EDI, and API channels.
- **Unified Digital Experience:** There will be integration of shopping, planning, shipping, exception management, and invoicing into a single, best-of-breed suite of online tools.
- **Aligned Support Channels:** There will be standardization of communication via phone, cases, and inquiries, supported by a unified notification system.
- **Change Management:** UP/NS will deploy in-app guidance, replayable walkthroughs, and live webinars to facilitate customers' transition.

253. There will be harmonizing of knowledge bases and communication channels, so customers have continuity and clarity no matter how they had engaged with UP or NS previously, for example:

- **Customer Portal Enhancements:** UP/NS will introduce guided workflows, map visibility toggles, and exception detail improvements tailored to customer-specific solutions.
- **Exception Management Optimization:** Streamlining of case handling and dispute resolution processes will reduce friction and improve transparency.
- **Performance Benchmarking:** Finalization of UP/NS benchmarking will allow the combined railroad to identify best practices and solutions within the legacy UP and NS operations and draw on them to further enhance customer service offerings and processes.

254. The objective is a harmonized, joint operating model whereby customer service performance is analyzed and reported as one entity with standardized and continual training and development procedures designed to ensure that the new entity provides the highest level of customer service. This approach will draw upon proven best practices and procedures in the Applicants' existing operations as well as historical insights and plans developed by both companies.

F. Applicants' Record of Successfully Implementing Customer Service Improvements

255. Both UP and NS bring to the proposed combination a track record of investing in and successfully executing enhancements to their customer service systems and teams. For instance, the summer of 2025 launch of MyPortal enhanced the accessibility, efficiency, and responsiveness of UP's digital customer service platform and shows how UP uses customer feedback and priorities to continuously improve its customer experience. This upgrade was rolled out through a collaborative approach, beginning with a pilot group of 40 customers who helped shape MyPortal's design and requirements. UP then implemented a segmented rollout, introducing the

solution sequentially to specific customer groups to test and optimize the platform before full deployment.

256. For each customer group, the launch was implemented in phases: cutover planning, pre-cutover, staging, cutover tasks, validation, and post-implementation care. Cutover planning was an approximately two-week process that involved development of the launch plan itself, communicating the development team coding pause, scheduling planning meetings and walkthroughs, as well as identifying physical spaces for the technology team and in-person collaboration. The pre-cutover process took a week and required creating communications support channels, sending communications, and verifying technology code releases. Once the pre-cutover process was complete, the actual staging took a day, followed by cutover tasks that entailed deploying the changes over several days, as well as sending communications and monitoring the systems themselves. Finally, validation and testing continued along with a month-long “hypercare” process for ongoing monitoring, addressing feedback triage, and reporting data and metrics.

257. As part of this launch, UP communicated with customers through webinars, knowledge/self-help documents, website guided tours/tooltips, call center tactical responsive help, and emails. UP customer service teams were trained in advance of the MyPortal launch through guided walkthroughs, scenario-based exercises, and system simulations. This internal training enabled frontline staff to confidently support customers during the transition and respond to inquiries with accuracy and empathy.

258. For the post-merger integration, Applicants plan to replicate and expand upon this successful recent model, tailoring trainings to the specific tools and workflows being introduced. This proactive approach should ensure that UP/NS employees are not only familiar with the new systems but also equipped to guide customers through the onboarding journey with clarity and confidence.

VII. Labor Plan

259. This Part of Applicants' Service Assurance Plan addresses Applicants' plans for reaching necessary labor implementing agreements and provides evidence that sufficiently qualified employees would be available at the proper locations to effect implementation, as required by 49 C.F.R. § 1180.10(g).

A. Labor Implementing Agreements

260. Applicants are committed to obtaining implementing agreements containing the changes necessary to permit the service enhancements and other public benefits made possible by the proposed transaction. To expedite integration of UP and NS operations after approval, Applicants intend while the application is pending to seek implementing agreements with labor organizations willing to engage. To further ensure Applicants' ability to maintain and enhance service following approval, Applicants have committed to provide employment opportunities for current craft employees so they may continue and finish their careers as employees of the combined railroad system, subject to the usual requirements for continued employment. This job security commitment encourages employees to continue their railroad careers and reduces the risk of employees leaving railroad service as a result of the transaction.

261. Both UP and NS are signatories to the “Cramdown Agreements.” Consistent with the Cramdown Agreements and Board precedent, Applicants intend to honor existing collective bargaining agreements on each railroad. Applicants will seek implementing agreements through the customary *New York Dock* procedures as necessary to permit achievement of the transaction’s public benefits.

262. With respect to train, engine, and yard (“TEY”) service, and mechanical crafts, Applicants will seek agreements focused on enabling the operational changes identified in the Operating Plan, in the sequence described. For example, implementing agreements will be required to address work opportunities for TEY and mechanical employees at current interchange locations. To the extent that aligning the workforce to the work requires relocation of such employees beyond the terms, practices, and interpretations of existing collective bargaining agreements, Applicants will seek agreements to enable such relocation or other changes necessary to protect service and to fulfill Applicants’ commitment regarding craft employees.

263. With respect to clerical and dispatching crafts, Applicants will seek implementing agreements to support integration of their systems and operations, which will be driven largely by the phased approach to technology integration. For example, as the combined UP/NS implements uniform technologies described above, most of the functions currently performed by craft employees in NS’s headquarters in Atlanta, Georgia, will be relocated to UP’s headquarters location in Omaha, Nebraska. When the combined company consolidates some or all of these functions, it will serve notice under Section 4 of the *New York Dock* conditions and obtain any

necessary implementing agreements to support the relocations or process standardizations, for example, adopting a uniform crew calling process. Beyond three years after the merger, as Applicants continue to evaluate automation, economies of scale, and/or efficiency opportunities related to the transaction, including elimination of redundant processes or procedures, the combined entity will obtain any necessary implementing agreements.

264. Applicants have factored employee attrition rates into this Service Assurance Plan. Applicants have a combined attrition rate of approximately 8.0 percent per year among their non-probationary craft employees.¹⁴⁷ This end-to-end transaction will not require large-scale employee transfers or dislocations, especially within Applicants’ operating, engineering, mechanical, maintenance, and communications and signals crafts. Further, Applicants have made a commitment to provide employment in some capacity for all current craft employees. Thus, Applicants anticipate that their attrition rate will remain relatively constant, allowing Applicants to support the service described in the Operating Plan.

265. Applicants have taken a major step toward reaching implementing agreements by negotiating a landmark agreement with Sheet Metal, Air, Rail and Transportation Workers – Transportation Division (“SMART-TD”), the nation’s largest railroad union. The agreement guarantees that SMART-TD members working in train and yardmaster service at the time of the transaction will have craft-

¹⁴⁷ See Workpaper “Craft Attrition Rates by Union.xlsx,” Tab “Attrition Chart,” Cell E22.

specific job protection for the length of their careers, subject to the usual requirements for continued employment. Applicants have made similar agreements with the National Conference of Firemen & Oilers, the Brotherhood of Railroad Carmen, the International Brotherhood of Boilermakers, the United Supervisors Council of America, and the American Train Dispatchers Association for their respective represented workforces, which include commitments to provide jobs in the same or other crafts to represented employees working for Applicants at the time of the merger.

266. Experience also teaches that different arrangements and modifications to existing collective bargaining agreements may become necessary as circumstances change and shipping patterns evolve. These developments will provide greater long-term employment opportunities, while affording the combined railroad flexibility to meet its customers' needs, allocate its personnel, and efficiently operate its network.

B. Applicants' Plan to Ensure Sufficient Qualified Employees

267. Applicants will ensure that sufficient qualified employees are available at the proper locations to implement the merger of UP and NS. Applicants project they will need to fill 1,173 additional craft jobs within three years after the companies consolidate to support anticipated merger-related growth.¹⁴⁸ In part to help meet this projected need, Applicants have committed to preserving employment for all craft

¹⁴⁸ See Employee Impact Exhibit, Electronic Appendix A; see also Am. App., Vol. 1, Verified Statement of Maqui Parkerson ("Parkerson VS"), ¶ 10; Workpaper "Craft Employee Impact Report.xlsx," Tab "Craft Impact Summary," Cell O15.

employees who are employed by UP or NS at the time of the merger.¹⁴⁹ In addition, UP/NS will have a robust hiring and training process to provide for the company's future additional hiring needs.

268. As required by the Board's rules, Applicants analyzed the projected impacts of the proposed transaction on applicant carriers' employees at specific geographic points for three years after the consolidation.¹⁵⁰ The results of the analysis are set forth in the Employee Impact Exhibit. In performing the analysis, Applicants used the best information available, but their projections necessarily depend significantly on assumptions about future conditions. Most of Applicants' projections regarding the number and location of employees needed to operate the merged company depend on projections of future traffic levels, which are subject to economic forces beyond the merged company's control.

1. Craft Employees

269. Applicants analyzed the proposed transaction's projected impacts on craft employees in a three-step process. First, Applicants concluded UP and NS each currently has sufficient qualified employees in the appropriate locations to operate both railroads. Second, Applicants estimated the impacts of optimizing operations of the combined UP/NS based on Applicants' plans described in the Operating Plan. Third, Applicants estimated the impacts of accommodating projected traffic growth for the combined UP/NS based on Applicants' plans described in the Operating Plan.

¹⁴⁹ See Am. App., Vol. 1, Verified Statement of V. James Vena, ¶ 54; Parkerson VS ¶ 3.

¹⁵⁰ See 49 C.F.R. § 1180.6(b)(9).

Applicants’ method of applying steps 2 and 3 varied based on the amount of location-specific information practically available at this stage of the merger process. A summary of the impacts is provided below in Table 15.

Table 15¹⁵¹
Craft Employee Impact Summary

	Positions Abolished			Positions Created			Positions Transferred			Net Positions
Years	1	2	3	1	2	3	1	2	3	Year 1-3
Car Mechanical	35	32	-	86	90	71	8	8	-	180
Clerical	3	6	2	-	-	-	-	69	118	(11)
Communications	-	-	-	-	-	-	-	-	-	-
Equipment Mechanical	-	-	-	-	-	-	-	-	-	-
Locomotive Mechanical	41	40	0	159	119	119	60	57	-	316
Signal Maintainers	-	-	-	-	-	-	-	-	-	-
Track Maintenance	7	2	-	5	31	-	-	-	-	27
Train Dispatching	8	17	8	-	-	-	-	-	-	(33)
Train Crews	307	352	269	612	546	491	-	-	-	721
Union Supervisors	-	-	-	-	-	-	-	-	-	-
Yard Controllers	-	-	27	-	-	-	-	-	-	(27)
Total	401	449	306	862	786	681	68	134	118	1173

270. The vast majority of positions affected by Applicants’ projected changes to craft positions involve Train Crew positions, that is, TEY employees working in road operations and yard operations.¹⁵² Applicants project a net gain of 721 new

¹⁵¹ See Workpaper “Craft Employee Impact Report.xlsx,” Tab “Craft Impact Summary.”

¹⁵² The “Train Crew” category includes employees working in Engineering or Trainpersons crafts in accordance with applicable collective bargaining positions.

positions, reflecting 928 positions abolished through optimization and 1,649 positions created through growth.¹⁵³ To estimate the number and location of positions abolished, Applicants used actual data to develop relationships between the number of employees and activity levels—daily crew starts for road crews and daily cars processed for yard and local crews—and applied those relationships to location-specific projections of activity levels under the Operating Plan’s Optimized Plan and Growth Plan.¹⁵⁴ Applicants also separately estimated the number of positions that would be abolished through planned yard consolidations based on past experience with similar consolidations.¹⁵⁵ In addition, Applicants estimated the number of TEY positions affected by non-location-specific initiatives—such as application to legacy NS crews and locations of UP’s train length and deadhead/heldaway processes¹⁵⁶—and assigned those affected positions to the combined UP/NS system because the location of the impacts would vary based on operating conditions.¹⁵⁷ Finally, Applicants estimated the number of TEY positions affected by implementing UP’s

¹⁵³ See Workpaper “Craft Employee Impact Report.xlsx,” Tab “Craft Impact Summary,” Cells L12, M12, O12.

¹⁵⁴ See Workpaper “Road Crew FTE Impacts by Yard.xlsx,” Tab “Summary ThruFreight”; Workpaper “Yard-Local FTE Impacts by Yard.xlsx,” Tab “Exhibit by Yard.”

¹⁵⁵ See Workpaper “Yard-Local FTE Impacts by Yard.xlsx,” Tab “Consolidation Summary.”

¹⁵⁶ See Op. Plan § 10.1.2.1 (train length, deadhead/heldaway); Janke VS Workpaper “Synergies Transportation - Operating.xlsx,” Tab “Train Length Synergy,” Cells H47:H49.

¹⁵⁷ See Workpaper “Craft Employee Impact Report.xlsx,” Tab “Craft Impact Detail Impacted,” Cells D337:F337.

Remote Control Operations and SwitchPro eNtry eXit technologies in legacy NS yards¹⁵⁸ and assigned those affected positions to the UP/NS “system” rather than a specific location because site-specific evaluations are ongoing.¹⁵⁹ Ultimately, these efficiency-related “system” reductions are offset by the gains in location-specific positions described below.

271. To estimate TEY positions added, Applicants used the same location-specific projections of activity levels and employee/activity level relationships that they used to estimate positions that would be abolished.¹⁶⁰ Applicants’ location-specific approach to matching employee levels to projected activity levels shows UP/NS will have sufficient qualified TEY employees available at the proper locations to support operations under the Operating Plan, although Applicants recognize the precise number and locations of employees will likely change as market conditions change.

272. Projected changes to craft positions also involve a substantial number of changes to Mechanical positions, which includes craft employees who perform repairs on locomotives and rail cars. Applicants project a net gain of 496 positions, reflecting

¹⁵⁸ See Op. Plan § 10.1.2.3; Janke VS Workpaper “Synergies Transportation - Operating.xlsx,” Tab “RCO NX,” Cell P42.

¹⁵⁹ See Workpaper “Craft Employee Impact Report.xlsx,” Tab “Craft Impact Detail Impacted,” Cells D337:F337.

¹⁶⁰ See Workpaper “Road Crew FTE Impacts by Yard.xlsx,” Tab “Summary ThruFreight,”; Workpaper “Yard-Local FTE Impacts by Yard.xlsx,” Tab “Exhibit by Yard.”

148 positions abolished and 644 positions created.¹⁶¹ Applicants primarily used a location-specific approach to estimate reductions and transfers of Mechanical positions, focusing specifically on planned facility consolidations and projected changes in traffic patterns.¹⁶² In addition, as with changes to TEY positions, Applicants estimated the number of Mechanical positions affected by non-location-specific productivity-improving initiatives that will maximize locomotive utilization,¹⁶³ and they assigned those changes to UP/NS “system” rather than a specific location.¹⁶⁴ Ultimately, these efficiency-related “system” reductions are offset by gains in non-location-specific “system” positions created.

273. To estimate Mechanical positions added, Applicants accounted for plans to insource work on wheel set assembly at UP’s Jenks, Arkansas, facility and autorack rebuilds at UP’s De Soto, Missouri, facility.¹⁶⁵ Applicants also used actual data to develop the relationship between the number of Mechanical positions and the

¹⁶¹ See Workpaper “Craft Employee Impact Report.xlsx,” Tab “Craft Impact Summary,” Cells L4:O4 and L8:O8.

¹⁶² See Op. Plan § 10.3.2.1 (transfers); Janke VS Workpaper “Mech_Eng Synergies.xlsx,” Tab “Shop Curtailment,” Cell N30; Op. Plan § 10.3.2.2 (shop consolidation and rationalization); Janke VS Workpaper “Mech_Eng Synergies.xlsx,” Tab “Mech Intchg,” Cells F39:N39.

¹⁶³ See Op. Plan § 10.3.2.3; Janke VS Workpaper “Mech_Eng Synergies.xlsx,” Tab “Switching Fleet Plan,” Cell D45.

¹⁶⁴ See Workpaper “Craft Employee Impact Report.xlsx,” Tab “Craft Impact Detail Impacted,” Row 21.

¹⁶⁵ See Op. Plan § 10.3.2.8 (Jenks); Janke VS Workpaper “Mech_Eng Synergies.xlsx,” Tab “Wheelset,” Cells F28:F29; Op. Plan § 9.2.3 (De Soto); Janke VS Workpaper “Synergies Transportation - Operating.xlsx,” Tab “Autoracks Capital,” Cells F37 and H37; *see also* Workpaper “Craft Employee Impact Report.xlsx,” Tab “Craft Impact Detail Impacted,” Rows 7 and 10.

size of the equipment fleet and applied those relationships to the locomotive and car fleets projected under the Growth Plan.¹⁶⁶ Applicants assigned those affected positions to the UP/NS “system” in recognition that, as UP/NS gains experience with the mechanical needs and traffic patterns of the combined network, it will continue to assess demand by location and allocate its workforce to meet those needs.¹⁶⁷ Where necessary, UP/NS will seek implementing agreements with impacted labor organizations.

274. Applicants are projecting only minor changes to the number of Engineering positions—those craft employees performing maintenance of way activities. Applicants estimate they will reduce a total of nine positions in locations where applicants plan to consolidate UP and NS yards.¹⁶⁸ And Applicants estimate they will need 36 additional maintenance-of-way employees based on plans to in-source certain work currently being contracted out by NS,¹⁶⁹ for a net gain of 27

¹⁶⁶ See Janke VS Workpaper “Mech_Eng Synergies.xlsx,” Tab “ThruFreight Fleet Plan,” Cells E36 and E40.

¹⁶⁷ See Workpaper “Craft Employee Impact Report.xlsx,” Tab “Craft Impact Detail Impacted,” Rows 13 and 21.

¹⁶⁸ See Op. Plan § 10.2.3.1; Janke VS Workpaper “Mech_Eng Synergies.xlsx,” Tab “Yard Curtailment,” Cell J26; *see also* Workpaper “Craft Employee Impact Report.xlsx,” Tab “Craft Impact Detail Impacted,” Row 22 to Row 27.

¹⁶⁹ See Op. Plan, §§ 10.2.3.2 and 10.2.3.3; Janke VS Workpaper “Mech_Eng Synergies.xlsx,” Tab “SMRT,” Cell E61; Janke VS Workpaper “Mech_Eng Synergies.xlsx,” Tab “Spray,” Cell E32; Workpaper “Craft Employee Impact Report.xlsx,” Tab “Craft Impact Detail Summary,” Cell M10.

maintenance-of-way positions, though they have not yet determined precisely where those employees would be located.¹⁷⁰

275. Similarly, Applicants are projecting only minor changes to the number of Clerical employees. Applicants estimate efficiencies relating to implementing UP's crew calling system on the legacy network will result in the reduction of eleven clerical positions at NS's headquarters in Atlanta, Georgia,¹⁷¹ and 187 other clerical positions will be transferred, with all but one moving to Omaha, Nebraska,¹⁷² as most headquarters operations of the combined company will be consolidated in Omaha. Applicants estimate they will reduce a total of 33 Train Dispatching positions in Atlanta as uniform processes are established and productivity levels of legacy NS dispatchers move into line with productivity levels of legacy UP dispatchers in accordance with the applicable collective bargaining agreement.¹⁷³ Finally, Applicants estimate that efficiencies related to implementing UP's Terminal Command Center technology in legacy NS yards will result in the reduction of 27

¹⁷⁰ See Workpaper "Craft Employee Impact Report.xlsx," Tab "Craft Impact Summary," Row 10.

¹⁷¹ See Op. Plan § 10.1.2.8; Janke VS Workpaper "Synergies Transportation - Operating.xlsx," Tab "HDC Personnel," Cell G6; Workpaper "Craft Employee Impact Report.xlsx," Tab "Craft Impact Detail Impacted," Cells D4:F4.

¹⁷² See Workpaper "Craft Employee Impact Report.xlsx," Tab "Craft Impact Detail Impacted," Cells K4:M4 and K5:M5.

¹⁷³ See Op. Plan § 10.1.2.7; Janke VS Workpaper "Synergies Transportation - Operating.xlsx," Tab "HDC Personnel," Cell G12; *see also* Workpaper "Craft Employee Impact Report.xlsx," Tab "Craft Impact Detail Impacted," Cells D377:F377.

Yard Controller positions.¹⁷⁴ Applicants based these estimates on UP’s experience in implementing its Terminal Command Center technology in its own yards.¹⁷⁵ Applicants assigned those affected positions to the UP/NS “system” rather than a specific location because site-specific evaluations are ongoing.¹⁷⁶

276. In sum, Applicants’ plans for ensuring that sufficient qualified employees are available at the proper locations to implement the merger are based on expected merger-related synergies and actual operating experience.

2. Management Personnel

277. Applicants’ process for estimating the number of qualified management personnel needed to operate the combined company is described in the Verified Statement of Joshua Perkes. As Mr. Perkes explains, Applicants’ estimates are based on a careful analysis and leverage natural attrition to the extent possible to achieve appropriate employment levels, which will allow the combined company significant flexibility to adjust plans if conditions warrant.¹⁷⁷ Applicants are also taking great care to maintain employment levels in functions that will be most critical to successful integration of UP and NS. Consistent with Applicants’ Information Technology Systems plan, as described in this Service Assurance Plan, planned

¹⁷⁴ See Op. Plan § 10.1.2.6; Janke VS Workpaper “Synergies Transportation - Operating.xlsx,” Tab “NS YC Planning,” Cell E8; *see also* Workpaper “Craft Employee Impact Report.xlsx,” Tab “Craft Impact Detail Impacted,” Cell F378.

¹⁷⁵ See Op. Plan § 10.1.2.6.

¹⁷⁶ See Workpaper “Craft Employee Impact Report.xlsx,” Tab “Craft Impact Detail Impacted,” Cell F378.

¹⁷⁷ See Am. App., Vol. 1, Verified Statement of Joshua Perkes (“Perkes VS”) ¶ 11.

reductions in the Technology function are limited to duplicative executive and administrative positions and certain support functions that are not needed under UP’s approach to supporting the Technology function, leaving over 95 percent of technology positions unaffected.¹⁷⁸ In addition, consistent with Applicants’ Customer Service plan, as described in this Service Assurance Plan, reductions in the CC&S function are limited to duplicative executive and administrative positions and positions that are currently vacant, leaving approximately 85 percent of CC&S positions unaffected.¹⁷⁹ Similarly, planned reductions in the Marketing and Sales function are limited to duplicative positions, largely involving executives and analysts, rather than employees with day-to-day customer responsibilities, leaving approximately 85 percent of Marketing and Sales positions unaffected.¹⁸⁰ Applicants’ measured approach will capture operational efficiencies while safeguarding essential functions, ensuring the combined company will be well-positioned to deliver reliable service, support employees, and grow.

3. Conclusion

278. Applicants estimate that craft jobs created by merger-related traffic growth will far exceed the number of job reductions from the operating efficiencies resulting from the merger. Applicants based their plans to reduce jobs on documented

¹⁷⁸ See Perkes VS Workpaper “Management_Workpapers_Employee Impact.xlsx,” Tab “Workpaper_Impact by Department,” Rows 27, 48, 74, and 95.

¹⁷⁹ See Perkes VS Workpaper “Management_Workpapers_Employee Impact.xlsx,” Tab “Workpaper_Impact by Department,” Rows 9, 30, 56, and 77.

¹⁸⁰ Perkes VS Workpaper “Management_Workpapers_Employee Impact.xlsx,” Tab “Workpaper_Impact by Department,” Rows 24, 45, 71, and 92.

efficiencies, and they based their plans to increase jobs on documented relationships between employee levels and activity levels, so their plans are expressly designed to provide for a sufficient number of employees to handle projected activity levels. Regarding management jobs, Applicants’ plans involve only limited, phased reductions that leverage natural attrition to the extent possible to achieve appropriate employment levels.

279. Applicants do not anticipate any difficulty in hiring the people they need in the proper locations. For a number of projected growth positions, Applicants cannot yet determine where new positions will be located. However, as described in the Training Integration section of this Service Assurance Plan, Applicants have well-established recruitment and training processes to ensure the combined railroad will have sufficient employees in the proper locations.

VIII. Training

A. Overview

280. UP and NS have built training programs that meet their current and projected needs as independent railroads and satisfy regulatory requirements. UP and NS develop their training programs either internally or using qualified vendors with recognized credentials in instructional design. To best fit the particular situation, both railroads provide their employees a mix of instructor-led training (“ILT”), computer-based training, on-the-job training (“OJT”), and blended training that incorporates two or more of these approaches. Training staff at both railroads include instructors, trainers, instructional designers, systems administrators, managers, and supervisors. Each company has effective systems to monitor

compliance with training requirements and deadlines. UP and NS together provide initial training to approximately 5,000 new employees each year, as well as refresher training to around 15,000 existing employees annually.

281. Applicants have conducted a comprehensive review of UP's and NS's training programs to analyze the current state of training at each company and plan a seamless transition with uninterrupted service after the close of the UP/NS transaction. The joint evaluation concluded not only that each program delivers high-quality instruction that meets federal requirements and effectively prepares employees to provide safe, reliable service, but also that there are notable similarities in the training offered by UP and NS, which will facilitate integration.

282. The post-transaction training plan and goals that Applicants describe below, while based on careful review and assessments to date, may evolve as UP and NS further consider their existing capabilities, identify additional synergies, and address any unexpected challenges. The ultimate goal, however, will continue to be an industry-leading training program at the combined UP/NS.

B. Applicants' Plan for Integrated Training

283. Applicants intend to establish a single training program that meets the needs of integrated operations across the combined UP/NS railroad. Applicants anticipate that UP's training system generally will continue in the legacy UP territory and will be applied to the legacy NS territory as well. Best-in-class elements from NS's training system will be incorporated into the integrated program. Applicants anticipate UP's training system, with any appropriate updates and

improvements, will be fully implemented across the combined UP/NS operations within three years of the merger.

284. UP/NS will monitor staffing requirements and adjust where necessary. The integrated company will have sufficient training staff and resources to meet the needs of job creation projections, as these merger-related new positions represent a manageable 25 percent addition to UP’s and NS’s current new hire training needs.¹⁸¹

285. The current UP and NS training programs have key similarities that will aid integration. Applicants have similar curriculums, OJT structure, and use similar technology to promote learning. Each prioritizes instructors sourced from the Craft. Applicants each use a compatible learning management system (“LMS”), meaning that a course offering of one company can be uploaded into the other’s system. These pervasive similarities can be seen, for example, in the Training discussion (Section IV) of the Safety Integration Plan.

286. When integrating the UP and NS training systems, UP/NS will prioritize safety, ensure regulatory compliance, and emphasize uninterrupted service and avoidance of disruption. UP’s Training Department is well-equipped to lead in executing the integration consistent with these core principles. The team specializes in training development, process implementation, and change management. It has the tools and skills to internally develop curriculum, online training, instructional videos, interactive e-learning modules, webinars, simulation exercises, job aids,

¹⁸¹ See Parkerson VS Workpaper “Craft Employee Impact Report.xlsx,” Tab “Craft Impact Summary.”

digital manuals, and assessment tools. The team also has experience in training integration, having successfully integrated the A&S employee base into UP's technology system and regulatory training standards in 2025. This experience will help guide the UP/NS integration strategy.

287. UP uses a rigorous, auditable training method that is flexible enough to keep pace with rapidly evolving technologies, changing safety protocols, and modern learning techniques. This ensures workers are prepared for new equipment, updated procedures, and emerging risks. Applicants intend to maintain this flexible approach in the integrated UP/NS training system.

288. Applicants expect to adopt a decentralized training model, as is currently used by UP, for the combined railroad. This means training is held near the trainee rather than at a central location. In addition to being cost effective and more convenient for employees, decentralized training facilitates flexible training solutions tailored to the location's operational needs.

289. Immediately after the close of the transaction, all UP and NS training centers will remain open, and legacy UP and NS programs will remain separate to prevent potential disruptions or safety risks. Different aspects of the training programs will be integrated at different times, but in general there are three main areas of focus for the UP/NS training integration.

290. First, there is training that supports the overall integration of UP and NS. Applicants expect to move toward a single set of operating rules and systems for the combined railroad. Training will ensure that field staff are prepared to implement

these unified rules. Additionally, after the transaction, employees of both UP and NS will be exposed to new systems and ways of doing business in the combined company. As departments participate in the integration of UP and NS, they will provide training to their own personnel to promote effective collaboration, skills development, and integration.

291. Second, there is integration of the training function itself. Applicants have separate systems to track and assign training to employees, as well as distinct curricula. UP/NS initially will maintain these separate systems, while gradually transitioning its training program to a single, integrated operation. To prepare for this, additional training staff will be upskilled to deliver lessons through a “train-the-trainer” coaching process.

292. Third and finally, there is regulatory training. Significant employee training is required or otherwise overseen by the FRA, the Occupational Safety and Health Administration (“OSHA”), and other regulatory bodies. UP/NS will work to eliminate duplication of required trainings between the legacy UP and NS operations and create a unified set of best-in-class training materials that satisfy regulatory requirements. Applicants expect that combining the UP and NS regulatory training programs will be the majority of integration-related training work.

293. The subsections below discuss in detail each of the three elements of training integration: training that supports the overall UP/NS integration, training that supports integration of the UP and NS training systems, and regulatory training. In addition, Section IV of Applicants’ Safety Integration Plan provides a

granular view of how Applicants intend to integrate safety-related training across the combined UP/NS.

C. Integration Support

294. *Integration Training Structures.* Immediately after the merger, UP/NS will create structures to promote coordination between the UP and NS training organizations and support NS’s onboarding training. Individuals will be appointed to serve on dedicated committees, councils, and work groups to streamline and integrate training across all targeted employee functions.

295. UP/NS will appoint Local Onboarding Coordinators (“LOCs”) for major NS locations and work groups. LOCs will receive training to assist with adoption of UP operating systems and serve as points of contact for informing the NS workforce about merger-related process changes. A UP/NS Delegate Training Committee, consisting of UP/NS technical training subject matter experts, will work in tandem with Department Learning Advisors to support the LOCs. UP/NS will update the UP/NS Training Executive Advisory Council and union leadership on the training integration during regularly scheduled calls. To identify strengths and weaknesses in onboarding training, NS employees will be asked to complete onboarding surveys periodically for three years after the merger.

296. UP/NS will dedicate training subject matter experts to oversee and coordinate initial onboarding of NS staff into the combined railroad. Additional training staff will be assigned as necessary to support the transition process.

297. *Transportation and Dispatch.* UP and NS have different FRA-approved operating rules for trains running on their railroads. UP utilizes its General Code of

Operating Rules (“GCOR”), while NS operates under its own proprietary rules. Similarly, while UP uses NetControl for transportation management and CADX for train dispatching, NS currently uses different systems. Ultimately, Applicants intend to conduct all traffic on their roads under UP’s GCOR, and likewise will integrate their IT systems that govern transportation management and dispatching as described in the Information Technology section of this Service Assurance Plan.

298. When integration occurs, field employees will be trained on the integrated operating rules and process changes, as well as data entry into these systems. For instance, before UP’s transportation systems are deployed, NS employees will be required to complete applicable training, and training resources will support the associated business process changes.

299. *Code of Conduct and Other Mandatory Training.* Following the merger, NS employees will be assigned to UP’s company-wide mandatory training. This training focuses on ensuring employees remain knowledgeable, safe, vigilant, and compliant with corporate policies. Upon successful completion of their initial training, the former NS employees will be expected to meet annual, biennial, or triennial company training requirements based on current UP policy.

300. *Leadership Development.* After the merger, NS management employees will be eligible to participate in UP’s flagship leadership development and operations programs. Training will be held in Omaha, Nebraska, or at field locations. UP/NS training staff will review NS’s leadership programs and incorporate applicable best

practices into the UP curriculum. This will ensure employees across the combined UP/NS benefit from a consistent set of professional growth opportunities.

301. *Payroll and Timekeeping.* Initially after the merger, the legacy UP and NS operations will continue to use their different platforms for payroll and time tracking. Within a three-year period, Applicants expect to integrate NS's systems into UP's platforms, resulting in centralized and streamlined payroll and timekeeping processes throughout UP/NS. Training materials for this integration will include Quick Reference Guides, collective bargaining agreement training, and OJT.

302. *Other Department-Specific Training.* Integration of the two formerly separate railroads will create demands for training from departments across UP/NS as they collaborate, explore integration opportunities, and combine functions. For example, an early priority will be giving UP and NS teams visibility into each other's systems so operations can be quickly understood and information shared. To that end, departments may draw upon UP/NS's Department Learning Advisors to develop training aligned with the particular organization's learning needs. The integration training processes discussed above will be used to develop effective methods for educating and upskilling the various departments' employees.

D. Training Functions

303. *Integration of Training Systems.* The combined UP/NS will gradually shift all employees to a single set of training platforms, with regular evaluations to track progress and compliance. The principal applications used for training, all of which are expected to be integrated across UP/NS within three years of the merger, are:

- Class Scheduler – used to schedule crew for classes
- Concur – external software used to book travel and manage expense reports
- CPM – Compliance Management System
- DOCS – records retention database
- DMMS – train dispatcher scheduling system
- EDCS – timekeeping database
- EQMS – Employee Quality Management System
- Exam Tool – online testing platform
- HRT – student travel database
- LMS – Learning Management System (external software)
- Microsoft Teams – messaging and email (external software)
- MOQ – Machine Operator Qualification
- TEP – Time Entry Portal

304. Early in the integration process, UP/NS will begin to establish a consolidated Learning Management System. The UP and NS LMSs contain comprehensive directories of courses, including training videos, exams, and employee attestations that training has been completed. By Year 3, all applicable NS training and employee materials will be copied into UP's LMS. All LMS training files and course codes will be evaluated to identify and remove duplicative or obsolete material.

305. Another early focus will be establishing a single Compliance Management System. The CPM is used to notify supervisors of upcoming and overdue training deadlines so employees who lack complete and current regulatory training can be barred from performing certain tasks. UP/NS initially will maintain NS's

manual system for tracking regulatory training compliance, but only until NS's trainings are integrated into UP's electronic CPM.

306. Before the expected cutover of NS operations to UP's GCOR, and while UP and NS training departments and class structures remain separate, NS technical instructors will adopt relevant portions of UP's training curriculum. This will allow timely and effective delivery of UP-aligned trainings to support implementation of the GCOR across legacy NS operations.

E. Regulatory Training

307. For most of the first three years after the merger, regulatory training programs will continue to exist in parallel for the legacy UP and NS workforces. During this transition period, UP/NS will seek from the relevant regulators approval to add NS's initial and refresher training programs to the list of trainings offered through the legacy UP training system. UP/NS also will review the NS regulatory trainings to assess where they should be modified to reflect UP rules, policies, and procedures, or can be added immediately to UP's training programs.

1. Train and Engine Service

308. Conductor initial and refresher training will remain separate following the merger, with NS operations set to adopt UP's 49 C.F.R. Part 242 certification programs within three years. Student engineer initial and refresher training similarly will remain separate following the merger, with NS operations set to adopt UP's 49 C.F.R. Part 240 certification program within three years. The specific timeline for adopting UP practices will be determined by rule reviews, technology considerations, hiring strategy, prioritization of integration activities related to

safety, and service assurance. To meet the expected demand for initial engineer training, UP/NS will utilize the existing UP training center in Omaha, Nebraska, and the existing NS training center in McDonough, Georgia.

2. Motive Power and Equipment

309. Qualification standards for mechanical and locomotive personnel will remain separate for a period after the merger, although Applicants plan for NS operations eventually to adopt UP's qualification standards. During the transition period, existing UP and NS qualification programs will be reviewed, and employees will receive training that addresses differences between those programs. As with train and engine service trainings, the exact timeline for adopting UP practices will be determined by rule reviews, technology considerations, hiring strategy, prioritization of integration activities related to safety, and service assurance.

310. Mechanical training likewise will remain separate for a period after the merger, with plans for UP's FRA-approved initial regulatory training to be implemented across UP/NS within three years. UP's initial regulatory training will be adopted in the new-hire program to recognize UP/NS employees as Qualified Mechanical Inspectors.

311. Similarly, UP's and NS's mechanical refresher trainings will remain separate for a period after the merger, with plans for UP's FRA-approved refresher training to be implemented within three years of the close of the transaction. Because coded cab signals are used only in NS territory and not UP territory, however, related NS refresher trainings may remain separate for a longer period until the underlying safety systems are aligned.

312. Locomotive PTC refresher training also will remain separate for a period after the merger, with plans to adopt UP's FRA-approved Locomotive PTC refresher training across UP/NS. The training will be delivered online, followed by a proficiency checklist that instructors complete at field locations to verify competence.

313. Car recertification training is another training that will remain separate for a period after the merger, with plans to implement UP's FRA-approved UP refresher training within three years.

3. Track, Signal, Safety Standards, and Bridge Structures

314. Qualification standards for UP and NS track, signal, and bridge personnel will remain separate for a period after the merger to accommodate differences in technology related to existing track authority and PTC Change Management Systems, with plans for NS regions to ultimately adopt UP's qualification standards. The timeline for adopting UP practices in NS territory will be influenced by rule reviews, technology considerations, hiring strategy, prioritization of integration activities related to safety, and service assurance.

315. Engineering training too will remain separate for a period after the merger, with plans to implement UP's FRA-approved initial regulatory training for all relevant UP/NS personnel within three years. After the transition, UP/NS new hires will receive On Track Safety and Track Safety Standards training based on UP's approved initial trainings. Applicants expect that all new UP/NS hires will receive On-Track Safety training, and certain employees will receive Track Safety Standards training from the current UP and NS qualified instructors.

316. Signal training is another program that will remain separate for a specified period post-merger. Applicants expect to adopt the FRA-approved UP initial regulatory training within three years of the merger. UP's signal training meets regulations for Grade Crossing Safety and PTC. UP/NS will assess signal equipment differences across the legacy UP and NS systems and align UP/NS trainings to those differences. As noted, Coded Cab Signal training currently applies only to NS territory.

317. Telecommunications training will remain separate for a period post-merger, with plans to adopt UP's FRA-approved initial regulatory training within three years. UP's telecommunications training meets regulatory requirements for Grade Crossing Safety and PTC. During the three-year period immediately after the merger, UP/NS will assess telecommunications equipment differences across the combined railroad and align telecommunications training to those differences.

318. Engineering Air Brake training will remain separate in the legacy UP and NS operations for a period after the merger, with plans to consolidate this training with Mechanical Air Brake training across the combined railroad within three years. This will include Air Brake training for Brandt trucks or power units used by track employees.

319. Engineering refresher training will remain separate for a period after the merger. Applicants expect that within three years the current qualified instructors from UP and NS will provide UP's FRA-approved refresher training for all of UP/NS.

320. UP and NS currently have similar prerequisites for enrollment in their Commercial Driver’s License (“CDL”) programs. Applicants plan to adopt the UP CDL training program for UP/NS within three years of the merger closing. Employees will be required to complete online training and obtain a permit prior to being enrolled in the two-week driving program.

4. Hazardous Materials

321. Ensuring safe handling of hazardous materials will remain a top priority at UP/NS. UP’s hazardous materials training standards are some of the highest in the industry. Applicants expect that legacy NS operations will adopt UP’s hazardous materials training programs, which address the pillars of Prevention, Preparedness, Response, and Recovery. Specialized training programs, along with emergency preparedness, communication, and notification procedures will be conducted at the Omaha, Nebraska, and McDonough, Georgia, training centers, as well as at hiring locations.

322. Hazardous materials training of NS personnel will begin with bringing NS’s Hazardous Materials Management (“HMM”) Team into the UP program. Onboarding NS’s HMM Team will include a comprehensive review of their qualifications and certifications to ensure they meet UP requirements and standards. All instructors must be Hazardous Waste Operations and Emergency Response certified under OSHA rules (29 C.F.R. § 1910.120), trained as a Qualified Individual, and certified as tank car specialists. In addition, HMM members will be trained (or re-trained) on National Incident Management System sections 100, 200, 300, 320, 400, 700, and 800, and their position-specific Incident Command System (“ICS”)

roles.¹⁸² Then, NS's HMM Team will participate in UP's Prevention Program to reduce enterprise risk through tasks such as tank car inspections. In addition, HMM employees will receive UP's training on industrial firefighter requirements, and they will learn to operate UP's mobile firefighting foam trailers and to manage hazmat railcar transfers (including non-hazardous materials). Applicants' goal is that all incoming NS HMM employees will complete training within six months of the merger.

5. Dispatching

323. During the initial phase of integration, UP/NS will maintain distinct train dispatcher training programs based on the different train dispatching software and operating rules UP and NS currently use.

324. UP and NS annually provide a combined 9,020 hours of dispatcher training—6,744 hours for UP and 2,276 hours for NS. NS's train dispatchers and 49 C.F.R. § 217.9 efficiency testing officers undergo computer-based refresher training every three years, while their UP counterparts complete ILT refreshers annually. Starting in Year 2, all NS train dispatchers and Section 217.9 efficiency testing officers will transition to annual ILT refresher training facilitated by a qualified instructor consistent with UP standards. In addition to annual rules refresher training, all NS train dispatchers and Section 217.9 efficiency testing officers, like their UP counterparts, annually will be required to complete an operating rules exam, Passenger Train Emergency Preparedness exam, and Hazardous Materials exam

¹⁸² ICS roles include the Logistics Section Chief, Operations Section Chief, Planning Section Chief, and Safety Officer.

with a minimum passing score of 90 percent as required by UP's submission to FRA under 49 C.F.R. § 217.11. Existing NS instructors will be trained to deliver rules refresher training in accordance with UP's standards.

325. Following a comprehensive evaluation of the legacy UP and NS dispatcher training systems, UP/NS will select one system to serve as the primary application for all train dispatchers across the combined railroad. To enable a seamless transition, training staff will be familiarized with the selected system well in advance of the cutover date.

6. Contractor Training and Management

326. UP and NS currently use the same vendor for their contractor management. Applicants plan to use this shared vendor's documentation process to gather data on training, certification, and compliance for UP/NS contractors. Safety and background checks through eRailSafe will follow company and industry standards.

327. UP/NS will require all contractors to be trained and compliant with FRA, OSHA, and Federal Motor Carrier Safety Administration regulations as determined by their scope of work. Any NS contractors with an exemption for 49 C.F.R. Parts 219 and 243 will undergo a review to determine if the exemption will be sustained or revoked per UP's standards. In addition, all NS contractors will be evaluated and assigned a grade score and risk profile. A contractor's risk profile will determine their training requirements. When legacy NS territories cut over to UP's GCOR and System Special Service Instructions, UP/NS will require contractors to be trained on, and compliant with, these requirements as well.

328. Applicants have determined that UP’s Safety Department will manage contractor oversight for the combined UP/NS. In general, Applicants expect that the legacy UP and NS operations will continue existing relationships with their respective contractors for at least the first six months after the merger. During this time and beyond, UP/NS will review contractor support needs and determine synergies, gaps, and realignment opportunities, with most merger-related changes taking effect by the end of Year One.

IX. Contingency Plans for Merger-Related Service Disruptions

A. Introduction

329. The UP/NS merger will protect against service disruptions because the combined company will be more resilient and better able to address conditions that cause service disruptions in three important ways. First, combining UP and NS will increase the availability of critical resources—main line track, terminals, crews, locomotives, and rail cars—required to keep traffic flowing and respond to temporary strains on the network.

330. Second, the merger will create new options for rapidly rerouting traffic to avoid congested areas and expand access to crews and locomotives—resources that are essential in responding to and recovering from disruptions caused by external forces.

331. Third, one of the primary operating changes resulting from the integration of UP and NS will be to implement new train and blocking plans designed to reduce rail car handlings, especially where the two railroads currently interchange traffic. This reduction in handlings will result in a reduction of events that can lead

to service disruptions by creating operational variability, particularly when interchanges are not fluid.

332. Accordingly, Applicants expect that the merger will improve service. Applicants do not expect customers to experience any merger-related service disruptions. They are committed to an integration process in which no changes will be made without careful planning, preparation, and execution.

333. While Applicants do not expect any merger-related service disruptions, they take the issue very seriously. As required by 49 C.F.R. § 1180.10(i), Applicants have established contingency plans to address potential merger-related service disruptions on the combined railroad and to promptly restore adequate service levels if disruptions should occur. They also have established a special problem resolution team and developed specific procedures for the combined railroad to use to resolve merger-related service disruptions.

334. Contingency plans are proactive: they are procedures designed to help an organization respond effectively to potential future events. More specifically, they are designed to ensure that an organization can quickly restore normal operations in the face of unexpected disruptions.

335. Problem resolution procedures are reactive: they are applied when a problem has already occurred. Problem resolution procedures become relevant when executing contingency plans. They involve diagnosing and resolving problems that a railroad detects. More specifically, problem resolution procedures include appraising the situation, analyzing the root cause of the problem, and deciding on the best course

of corrective action. In essence, problem resolution procedures are used when a contingency occurs and a specific response is required. Problem resolution teams are the personnel responsible for executing problem resolution procedures.

336. As part of their contingency planning process, Applicants have engaged in a risk assessment process that identified three broad areas that create risks of merger-related service disruptions:

- Changes in traffic levels and patterns. This refers to changes in the volume of traffic moving over the merged system's lines and through its yards and terminals as new train and blocking plans are implemented and yard and terminal operations are changed or consolidated. Although the effect of planned changes will be to streamline operations, and no changes will be made without careful planning, preparation, and execution, Applicants recognize that implementing operational change necessarily involves risks.
- Changes in procedures and processes. This refers to changes in the procedures and processes followed by employees as the combined railroad implements a uniform system of standards, practices, and procedures, as well as changes that customers and other railroads will have to make in interacting with and coordinating with the merged company as UP/NS personnel implement common protocols.
- Changes in systems. This refers to changes in information technology systems as the two companies migrate to common platforms, particularly for their operations-related systems.

337. Applicants' contingency plans and problem resolution procedures for merger-related service disruptions build on their well-established plans and procedures for promptly restoring adequate service levels in response to other types of potentially disruptive events.¹⁸³ UP and NS currently maintain procedures for

¹⁸³ Other parts of this Service Assurance Plan describe how Applicants expect the combined railroad to mitigate the risk of disruptions arising from other sources,

addressing factors that can influence service, including natural disasters, severe weather conditions, mechanical failures, and unexpected traffic surges.

338. In planning for the provision of rail service generally, Applicants focus on ensuring the availability of five critical resources to move traffic: main lines, terminals, crews, locomotives, and rail cars. In Applicants' experience, service disruptions, whatever the cause, ultimately manifest as an inability to move current traffic volumes because of a shortage of one or more of those five critical resources. To restore adequate service, railroad personnel must determine how to effectively deploy additional resources to address accumulated inventory while also taking steps to understand and resolve the root cause of the problem.

339. Applicants' contingency plans in general, and their plans for merger-related service disruptions in particular, incorporate a flexible problem resolution process to diagnose the causes of specific service disruptions and then develop and execute appropriate responses. Applicants' general approach to contingency planning for service thus involves:

- Identifying and assessing potential risks, including their location and magnitude.
- Maintaining buffer capacity for critical resources to help effectuate service recovery.
- Monitoring to detect potential service disruptions.
- Developing and executing response actions.
- Monitoring response effectiveness.

including risk relating to IT systems and changes in procedures and processes, and to changes in systems, through intensive planning, training, and coordination.

- Communicating with stakeholders.

340. Applicants provide additional details about their approach to contingency planning for service disruptions and their plans for potential merger-related service disruptions in the remaining sections of this Part.

B. Applicants’ Development of Integration Plans to Protect Against Merger-Related Service Disruptions

341. Applicants’ end-to-end combination will reduce the risk of service disruptions, not cause them. The UP/NS merger will not directly affect most traffic currently moving on the UP and NS systems. The merger’s impacts will be concentrated on traffic UP and NS currently interchange, and the impacts of the merger on that traffic will be to reduce the risk of service disruptions. Furthermore, the increased buffer resources and routing optionality made available by their combination will strengthen resiliency across the entirety of the integrated network—protecting against service disruptions even for traffic not directly impacted by the merger.

342. For traffic UP and NS currently interchange, Applicants plan to optimize train and blocking plans to reduce handlings. Applicants also plan to reroute some of the affected traffic over more efficient routes. In addition, Applicants plan to consolidate certain yard and terminal facilities. These changes will produce faster transit times and eliminate variability, thus protecting against service disruptions.

343. UP and NS have established processes for planning and implementing operating changes to optimize train and blocking plans. They regularly make changes to train and blocking plans in response to changing demand conditions. Their

operating personnel have substantial expertise in designing and executing these types of efficiency-enhancing adjustments to their networks. UP/NS employees will apply that expertise to the operation of the combined railroad following the merger.

344. Applicants have taken particular care in developing new train and blocking plans and plans to optimize routing in their merger planning process. Applicants' planning teams analyzed each impacted line and yard to ensure those facilities will have sufficient capacity to implement the planned changes. Where Applicants identified a need for additional capacity, they developed appropriate investment plans. Applicants also reviewed staffing to ensure that there will be a sufficient number of qualified employees available at affected locations to affect the proposed changes.

345. UP/NS will take steps throughout the merger integration process to ensure that the railroad's implementation of operating changes protects against service disruptions. UP/NS will refrain from taking any actions that cannot be quickly reversed should unexpected issues emerge as operations transition. For example, where Applicants propose to consolidate yard operations, they plan to maintain the ability to unwind the changes and restore pre-merger service patterns for a substantial period of time after implementing new service patterns.¹⁸⁴ Similarly, where Applicants propose to reroute traffic to improve service, they plan to maintain

¹⁸⁴ Applicants have no plans to sell or remove track assets where they propose to consolidate yards. The consolidations are intended to create additional capacity to accommodate growth.

the ability to unwind those changes and restore former routings.¹⁸⁵ In addition, as discussed in detail below, UP/NS will closely monitor locations affected by operating changes to detect and address potential service disruptions.

346. Applicants expect the merged system will attract significant volumes of new traffic. Just as Applicants are carefully preparing to implement changes affecting existing traffic, they are taking care to ensure the combined railroad can accommodate additional traffic without disrupting service. Applicants' resource planning process has considered not only the impacts of operating changes for existing traffic, but also whether the combined railroad will have sufficient main line, yard, equipment, and workforce capacity to handle the anticipated new business.

347. Finally, Applicants recognize successful integration of IT systems and IT-related customer service functions is critical to achieving the merger's benefits. As described in other parts of this Service Assurance Plan, Applicants are engaged in a careful process of planning for integration of their IT systems and customer service functions and are confident their plan for integration will protect against merger-related service disruptions that could be caused by IT integration. Nevertheless, Applicants' contingency plans and problem resolution procedures address these risks and account for the possibility that service disruptions might stem from IT-related issues.

¹⁸⁵ Applicants have no plans to abandon any lines as a result of the merger.

C. Devotion of Significant Resources to Preventing and Addressing Service Disruptions

348. UP and NS design and execute their operating plans with the goal of never experiencing a service disruption. However, in their normal course of business, they face the constant risk of service disruptions from a wide range of causes, including natural disasters, severe weather conditions, mechanical failures, and unexpected traffic surges. To mitigate impacts from these ever-present risks, Applicants have developed contingency plans that include establishing buffer resources, monitoring their networks for warning signs of potential disruptions, using problem resolution teams to develop and execute response actions, monitoring the effectiveness of their response actions, and communicating with stakeholders. Applicants' plans for addressing potential merger-related service disruptions will build upon their existing plans and protocols that are effective at preventing and addressing service disruptions.

1. Assessing Potential Risks

349. UP and NS have extensive experience operating their networks, which has allowed them to understand the types of events most likely to trigger service disruptions and the locations most vulnerable to particular sources of disruption. In some instances, Applicants face recurring risks of such a similar nature that they have developed specific response "playbooks." For example, UP has developed lists of procedures to be followed in certain rail yards if temperatures are projected to remain below specified points for specified periods of time. Applicants have also developed more general plans for responding to recurring events that raise similar issues but

vary in location and scope, such as hurricanes and flooding. These more general plans include proactive interruption recovery preparation, such as pre-positioning generators, emergency ballast, and surfacing equipment so recovery can begin as soon as possible following an event.

350. In most cases, the causes and consequences of service disruptions are too varied to be addressed using an off-the-shelf playbook. Instead, flexibility is critical to successful recovery. UP's and NS's risk assessments have led them to create strategies that involve maintaining certain buffer capacity resources and placing them in proximity to vulnerable areas, as well as planning to use other resources as buffers both to prevent service disruptions and to mitigate and remedy any disruptions that were not preventable.

351. Applicants' buffer strategies are described in the next section.

2. Maintaining Buffer Capacity for Critical Resources

352. Service disruptions can arise from a multitude of factors, but they ultimately manifest as an inability to move current traffic volume because of a shortage of one or more of five critical resources: main lines, terminals, crews, locomotives, and rail cars. Maintaining a flexible capacity buffer therefore plays a critical role in contingency planning. UP and NS have distinct strategies for each critical resource. For fixed resources—main lines and terminals—Applicants maintain buffer capacity through built-in surge capacity and flexible transportation planning. For mobile resources that can be deployed across the network—crews, locomotives, and rail cars—Applicants have built buffer capacity through strategic placement of reserve units and rapid deployment strategies. These strategies allow

UP and NS to mitigate the symptoms of service disruptions even before they identify the underlying causes or implement more permanent solutions. In many cases, the deployment of additional buffer capacity resources can drastically reduce or even eliminate the impact of a network disruption on stakeholders. Applicants have therefore invested heavily in the ability to deploy buffer strategies with speed and flexibility.

a. Main Lines

353. Applicants' first line of defense to service disruptions on main lines is the excess capacity built into their operations. Applicants plan traffic flows so main lines operate below their maximum capacity. This buffer serves a preventative purpose. Applicants' main lines can absorb most temporary fluctuations without changing operations.

354. Applicants' strategy of building excess capacity into their main line operations also allows them to use main line resources reactively to respond to larger disruptions. While main lines are fixed in place, Applicants each have expansive networks that often allow them to route traffic around developing or existing trouble spots. This reactive measure would not be possible if those alternate routes lacked capacity to absorb the incremental traffic.

355. The UP/NS merger will increase the ability to use main lines flexibly to prevent and mitigate service disruptions because it will eliminate the delays involved when two companies must negotiate operating changes. For example, if a hurricane disrupts trains scheduled to move through New Orleans, the combined railroad will be able to rapidly reroute traffic via Memphis, which not only keeps those trains

moving, but also mitigates the risk that congestion on its main lines to New Orleans will compound and spread to its main lines and terminals outside of New Orleans.

b. Terminals

356. Terminals often become trouble spots when service is disrupted. Congestion in terminals can compound as processing times slow and dwell times increase. In addition, congestion in one terminal can spread to other portions of the network as upstream terminals hold cars rather than launch them toward already congested areas.

357. Applicants' buffer capacity strategy for terminals is largely like their strategy for main lines. In the first instance, Applicants plan operations so terminals operate below their maximum capacity. The buffer can be used to absorb temporary increases in terminal activity without disrupting operations.

358. In addition, while terminals, like main lines, are fixed in place, Applicants' strategy of building excess capacity into their terminal operations also allows them to use terminal resources to respond reactively to larger disruptions. Applicants often can alleviate congestion in one terminal by shifting certain traffic to alternative terminals.

359. The UP/NS merger will increase the combined railroad's ability to shift traffic between terminals, particularly in critical locations where UP and NS each have their own terminals today, including Chicago, Kansas City, St. Louis, and New Orleans.

c. Crews

360. Crew availability often becomes a critical constraint when networks experience service disruptions, especially because crew working hours are regulated by federal law. When trains are delayed on main lines or in yards because of a service disruption, crews may not have time to complete their scheduled work, and additional crews are required to handle the same volume of traffic. If sufficient crews are not available, then trains cannot move, and congestion compounds.

361. Applicants both currently maintain larger crew bases than are necessary to handle the number of trains scheduled to move. They maintain this buffer of trained, experienced personnel in part so extra crews will be available when necessary to help mitigate service disruptions. Applicants also have a variety of tactical strategies they can employ to respond to short-term, unexpected surges in demand for train crews using their current workforce. For example, they can cancel non-essential training activities to maximize availability of the existing workforce and ensure they are ready for assignment. Applicants also have procedures that allow them to pivot crew assignments from low to high demand areas within a seniority hub. Similarly, Applicants have procedures to increase transportation and lodging options for crews to optimize the hours of service that crew members are available. If they still need additional crews, Applicants have several options they can pursue, including using “borrow out” employees from regions with sufficient capacity and redeploying them to locations in need of additional crew resources.

362. In addition to their more formal crew redeployment programs, Applicants have each adopted an all-hands-on-deck approach to addressing certain

types of major service disruptions. UP operates “Rail Relief,” a program in which management and other employees voluntarily travel to impacted locations where they transport work crews, help set up mobile command centers, and handle other logistical functions to maximize the capacity of work crews. NS operates “go teams,” a program in which employee volunteers from locations with sufficient capacity are rapidly deployed to provide additional support wherever needed.

363. Following the merger, the combined railroad will have an even broader workforce to call on if needed to respond to service disruptions.

d. Locomotives

364. For the same reasons relevant to crew availability, locomotive availability often becomes a critical constraint when networks experience service disruptions. When trains are delayed on main lines or in yards because of a service disruption, their locomotives are not available to move other trains, and additional locomotives are required to handle the same volume of traffic. If sufficient locomotives are not available, trains cannot depart from yards, and congestion compounds.

365. Applicants both maintain fleets of buffer locomotives. These locomotives serve three main purposes: (1) meeting surge needs at terminals, (2) replacing broken-down units during transit, and (3) handling unexpected volume surges for customers.

366. UP has invested significant resources in analyzing terminals, locations, and customers with the greatest need for accessible locomotive resources. UP currently has approximately 200 “at the ready” (“ATR”) locomotives that it has strategically placed at its largest terminals to address service interruptions or a

deficit of inbound locomotives that could cause significant terminal processing backlogs.¹⁸⁶ UP keeps these locomotives fueled and maintained, so they are available for immediate deployment at the large terminals or distribution to nearby smaller terminals that might experience locomotive shortages.

367. UP also has approximately 60 Rapid Response locomotives that it has placed across the network at key intermodal terminals and in locations that have experienced elevated rates of engine failure—primarily locations with significant grades.¹⁸⁷ UP can quickly dispatch these locomotives to ensure the flow of premium intermodal products and protect main lines against locomotive failures.

368. UP also keeps approximately 25 stored locomotives for bulk service at or near key customer locations to assist with bulk shipments and larger-than-expected volume. Finally, UP has an additional reserve fleet of approximately 300 stored serviceable locomotives, each of which could return to service within a few days to help respond to surges in car loadings.¹⁸⁸

369. NS also maintains a buffer fleet of locomotives for immediate deployment, referred to as “Hot and Ready” or “HNR.” NS’s buffer fleet varies with the season and ranges from 25 to 50 locomotives.¹⁸⁹ NS needs a smaller buffer fleet than UP because NS can more readily reposition locomotives as needed across its more compact system. Like UP, NS has positioned these locomotives at or near key

¹⁸⁶ See Workpaper “UPRR ATR Locomotives.xlsx.”

¹⁸⁷ See Workpaper “UP Locomotive Shop Stored Servicable.png.”

¹⁸⁸ See Workpaper “UP Locomotive Shop Stored Servicable.png.”

¹⁸⁹ See Workpaper “NS HNR for System.xlsx.”

terminals and other critical network locations. NS also has approximately 70 locomotives that it could return to service after completing repairs.¹⁹⁰

370. The UP/NS merger will increase the availability of buffer locomotives. The larger buffer fleet of the legacy UP will immediately be available to the combined railroad to help address service disruptions affecting what are currently NS main lines and yards.

e. Rail Cars

371. Rail car availability can also become a constraint when networks experience service disruptions. If customers cannot access sufficient rail cars, they cannot load traffic for pickup.

372. Applicants both keep ATR rail cars at strategic locations on their networks and at certain customer locations. UP maintains a fleet of approximately 145,000 owned, leased, and allocated TTX railcars.¹⁹¹ NS maintains a fleet of approximately 96,000 owned, leased, and allocated TTX railcars.¹⁹² Depending on storage type, reserve rail cars can be pressed into service within a matter of days. Applicants concentrate reserve cars around terminals and near customers most likely to experience short-term demand surges. Customers can call on these cars when they are tight on equipment—for example, when their inbound flows experience delays, they receive bad ordered cars, or they have unexpected business opportunities.

¹⁹⁰ See Workpaper “NS Mechanical Return to Service Locomotives.xlsx.”

¹⁹¹ See Op. Plan § 9.2.1, Table 15.

¹⁹² See Op. Plan § 9.2.1, Table 15.

3. Monitoring to Detect Potential Service Disruptions

373. Applicants devote considerable time and effort to monitoring their networks for warning signs of potential service disruptions. The most effective way to address service disruptions is to prevent them from occurring in the first place by detecting the warning signs in time to utilize the buffer capacity resources described above. Even when disruptions cannot be prevented entirely, early detection and response can mitigate their severity.

374. In the normal course of business, Applicants actively monitor a variety of system-wide and local measures of network health, looking for signs that indicate actual or potential problems relating to excess inventory—that is, an accumulation of more rail cars than can be moved using immediately available assets. These measures provide information regarding the status of the critical resources discussed above.

- **Main lines.** Applicants monitor the overall health status of their networks and main line operations using network monitoring tools that track data regarding train velocity, car velocity, and various train and car inventory reports, as well as other system-wide metrics.
- **Yards.** Applicants monitor the status of their yards and terminals using metrics such as terminal dwell time, operating inventory, trains held, on-time train departures, and other measures designed to identify sub-optimal performance (*e.g.*, cars held more than 32 hours).
- **Crews.** Applicants continually compare train demand with crew supply using metrics that provide visibility into timely fulfillment of assignments. Applicants also use statistics identifying workforce utilization, which includes re crews, held-away time, and other measures of availability.
- **Locomotives.** Applicants use tools to calculate daily inbound locomotive supply and demand in terminals. Applicants also use metrics

such as trains held for power to detect potential localized and system-wide issues affecting locomotive availability.

- **Rail cars.** Applicants use a variety of metrics to maintain the health of the equipment fleet and understand possible constraints, including customer order fulfillment, customer on time placement, car dwell, and cars per carload.

375. Applicants have invested substantial effort in developing technologies to capture, compile, and deliver performance-related metrics to employees charged with monitoring network health and identifying and addressing resource constraints. As an example, both railroads use tools that provide managers real-time visibility into key operating data for yards, such as current inventory, current dwell, and en route volume. Both railroads also use locomotive planning tools that calculate expected locomotive demand in their terminals. In addition, UP is developing and testing a tool designed to identify potential service disruptions using indicators derived from analyses of past events. The tool flags deviations from normal levels in metrics that correlate with future service disruptions, providing UP with even earlier warnings of potential problems than were previously possible. Applicants expect that the combined railroad will deploy this advanced tool across the entirety of the merged network.

376. Applicants also monitor external data to identify and plan for events that might cause service disruptions. For example, both UP and NS have partnerships with AccuWeather to provide near-real-time alerts of changing weather conditions that feed into their operational systems so they can trigger plans for addressing excessive cold or excessive heat, or plan for other natural events including severe storms, flooding, and fires. They also monitor news reports and regularly

communicate with stakeholders so they can prepare for shifts in the demand for transportation caused by events ranging from labor action at ports to changes in market conditions that may affect commodity flows and thus the demand for rail transportation.

377. Finally, Applicants each have procedures in place for escalating issues identified through their monitoring processes. Applicants maintain escalation processes at the system and regional level to promptly respond to any other fluctuation that may pull operations off-plan, such as mechanical failures, stops for curfews, and traffic surges. Both railroads hold standing daily meetings between regional and central management to address sources of potential service disruption and develop action plans for the day's operations.

4. Developing and Executing Response Actions

378. When an issue is identified through monitoring, Applicants develop and execute response actions. In most cases, their monitoring processes alert Applicants to potential issues well before any service disruption occurs, and operating personnel with specific responsibilities for the resource at issue promptly develop and execute corrective actions. For example, when UP's locomotive managers receive alerts regarding potential locomotive shortages from UP's Unified Locomotive Planner or local operating personnel, they will alert UP's Locomotive Directors and General Directors. The locomotive management team will then develop and execute plans to reallocate resources using buffer locomotives or by shifting locomotives between terminals to address any shortfall. Similarly, when localized crew issues are observed, they are addressed by the Crew Management group.

379. Applicants address more significant service disruptions and threats of such disruptions using cross-departmental teams. At UP, these cross-departmental teams typically consist of representatives from UP's HDC (which includes UP's dispatching, crew, and locomotive management functions), Network Planning & Operations department (which is responsible for designing transportation plans and railcar distribution), CC&S department, and the affected regional Service Units. NS uses cross-departmental teams that typically include the NS-equivalents to the UP departments listed above.

380. At both railroads, the cross-departmental team has two basic functions related to problem resolution: (1) identifying the cause of the service disruption, and (2) determining how to deploy capacity buffer resources to protect against disruption or restore acceptable service levels. Identifying the disruption's cause helps determine the combination of resources and other actions that will most effectively resolve the disruption. However, Applicants often begin adding resources to protect or restore service before they completely understand the cause.

381. UP's problem resolution process begins by seeking to identify the service disruption's cause as either a non-execution issue, an execution issue, or some combination of each. Non-execution issues primarily involve issues arising from operations planning (*e.g.*, the plan requires moving too many cars through a yard) and customer patterns (*e.g.*, customers want to move traffic in unexpected amounts or between unexpected locations). Resolving disruptions caused by non-execution issues often requires revisiting the railroad's transportation plan or adjusting

network resources, as well as consulting with customers to determine whether their transportation needs have changed.¹⁹³ Execution issues involve disruptions caused by failures to execute the transportation plan. Resolving disruptions caused by execution issues generally requires deploying on-site teams to fully understand the reason for the execution failure and modify procedures or training to prevent recurrences.

382. UP's next step in the problem resolution process is determining the combination of capacity buffer resources to deploy that will most quickly and effectively restore acceptable service levels, and then executing the plan. The specific resources that are practically available to the railroad and their effectiveness will differ from situation to situation, and determining which resources to deploy and in what combinations involves the exercise of judgment based on experience and available information.

383. For example, in some situations, trains can be routed around problem areas to allow congested main lines to clear. However, the ability to reroute trains depends on the availability of alternate routings, as well as the impact of using those alternatives on other resources that might already be constrained, including line and terminal capacity on the alternate route and crew and locomotive availability. In some cases, Applicants will contact other railroads with requests to detour trains over

¹⁹³ The railroad would not necessarily need to revisit its transportation plan if the disruption is caused by severe weather or a transitory change in shipping patterns, but it would still engage in post-recovery analysis to determine whether future operational changes might help reduce the impact of similar events in the future.

their routes. Options for rerouting trains would be developed by network planners, but any decision to reroute trains would require substantial input from members of the cross-departmental team with responsibility for crew and locomotive management, as well as those familiar with the operations of potentially affected lines and terminals.

384. Similarly, in some situations, railroad personnel can change operating plans to shift traffic to alternate yards while a congested yard works through its backlog. The ability to use alternate yards depends on capacity limitations at those yards, capacity limitations on main line routes used to access those yards, and crew and locomotive availability. Again, network planners develop options for shifting traffic to alternative yards, but cross-departmental expertise and input are required to evaluate the feasibility of such plans considering the circumstances presented at the time.

385. In many instances, addressing and recovering from moderate and more severe service disruptions require adding crew resources to offset reductions in train velocity and work through backlogs on main lines and in yards. As discussed above, UP and NS have a series of strategies they can activate, either separately or in combination, to increase crew availability, ranging from cancelling non-essential training, repositioning crew resources to the impacted areas (borrow-outs), and combining trains to reduce crew demand. Crew management personnel develop and then execute options for increasing crew resources. However, cross-departmental expertise and input are required to help determine the number of additional crews

needed, the locations at which they are needed, and the length of time they will likely be needed, which will help inform the specific strategies used to increase crew resources.

386. Similarly, addressing and recovering from moderate and more severe service disruptions typically require additional locomotive resources. Locomotive management personnel are responsible for developing and executing plans for using buffer locomotives to provide needed resources. Cross-departmental expertise and input are used to help determine the number of additional locomotives needed, the locations at which they are needed, and the length of time they will likely be needed, which will help inform the specific strategies used to increase locomotive resources, including whether to use ATR locomotives, return other buffer locomotives to service, or both.

387. Recovering from moderate and more severe service disruptions sometimes requires directly addressing the number of rail cars moving on congested lines or in congested terminals. When a service disruption causes train and car velocity to slow, railroad personnel emphasize service performance to drive cars to customer facilities while working directly with customers and deploying additional resources when appropriate to reduce inventory. Another way to address excess cars online is to direct empty railroad-owned railcars to storage locations. Applicants' equipment management personnel proactively develop plans to reduce cars online. Cross-departmental expertise and input are used to evaluate which railroad-owned

cars can be removed from the active fleet while ensuring that the service recovery benefits of such actions take into account customer service performance.

388. While Applicants are deploying their buffer resources and, where an execution issue was identified, working on the ground in affected areas to retrain local personnel or restructure local processes, they continue analyzing the disruption to be certain they understand its root causes. They use the results of their analysis to develop and implement changes to transportation plans, resource allocations, or other practices and procedures to prevent future occurrences of similar disruptions. Changes might include revising operating plans to redirect traffic flows, increasing critical resources at key locations, and, in the case of execution issues, providing additional training or reworking processes at the local level. The root cause analysis also helps ensure that Applicants obtain sufficient information to communicate fully and accurately with customers and other external stakeholders.

5. Monitoring Response Effectiveness

389. Applicants use a combination of metrics-based analysis and, in certain circumstances, on-the-ground observation to measure the effectiveness of the actions taken in response to service disruptions. Applicants generally use the same metrics in monitoring their progress towards service recovery that they use to identify service disruptions. Applicants' cross-departmental teams conduct meetings at least once a day to review operating conditions and, if necessary, modify response plans in light of new information. The monitoring effort and regular cross-departmental meetings continue until normal operations are restored and conditions have stabilized.

6. Communicating with Stakeholders

390. Prompt and accurate communication with stakeholders—particularly customers, but also short lines, passenger railroads, and other affected rail carriers—is an integral part of Applicants’ plans for responding to service disruptions. As Applicants pursue the steps described above to mitigate the impacts of service disruptions, they also take steps to ensure stakeholders receive timely, accurate information about the status of network operations and expected timelines for service restoration.

391. Effective stakeholder communication includes both proactive and reactive components. Applicants recognize the importance of gaining and maintaining stakeholder trust and confidence by providing early, accurate information directly to affected parties. If proactive communication is delayed, stakeholders will either be left in the dark or receive potentially incomplete information from secondhand sources. If proactive communication is inaccurate, stakeholders will not trust continued communication throughout the duration of the disruption. Applicants therefore seek to balance the need for both speed and accuracy when proactively communicating with stakeholders.

392. Applicants’ proactive communications with stakeholders occur through several channels, including announcements on UP’s and NS’s web pages and email communications targeted to customers likely to be affected by a disruption. Applicants can target emails to customers based on their origin, destination, location, and commodity. Applicants use this information to inform customers when their service may be delayed by more than 24 hours due to major weather events,

derailments, strikes, or other disruptions. Applicants also continue to follow up with affected customers during and after the event. For example, during hurricanes and other major weather events, UP follows a structured communication process to ensure customers are informed, supported, and engaged throughout the disruption. When a weather event is imminent, UP notifies impacted customers with initial alerts describing the situation and the railroad’s readiness to respond. From that point forward, UP engages in daily direct outreach—via email, phone, or its Salesforce case system—to provide updates, confirm service status, and collect feedback. After service is restored, UP provides the impacted customer a summary of actions taken and invites feedback.

393. Applicants also have well-developed systems for engaging in reactive communications with stakeholders—that is, responding to issues raised by customers directly with the railroads. UP and NS both have customer call centers, so customers can contact railroad representatives to obtain information about their shipments or raise issues requiring resolution. UP’s and NS’s call centers use similar processes to document interactions, track progress, and ensure accountability. Customers can also raise questions and concerns electronically using customer portals that provide real-time visibility into their shipments.

D. Applicants’ Successful Contingency Planning Frameworks

394. UP’s and NS’s contingency planning frameworks described above have proven extraordinarily successful during recent service disruptions. The examples described below demonstrate both the efficacy and flexibility of their existing processes.

1. International Intermodal Rush (2024 to 2025)

395. In 2024, UP successfully absorbed a substantial increase in international intermodal traffic over a two-month period. This international traffic surge was caused by a series of overlapping events, including impending tariffs, a strike by the East Coast Longshoremen, and unforeseen delays in both the Suez and Panama canals.

396. UP's monitoring infrastructure flagged the change in shipping departures and inbound port activity as these conditions unfolded. UP immediately formed a cross-functional team that included representatives of its Service Design, Premium Operations, Fleet Distribution, HDC, and Marketing and Sales teams. This team worked around the clock to coordinate tasks among departments, monitor changes, respond to developments, and develop alternative transportation plans.

397. UP quickly determined that the traffic surge would require the deployment of additional assets to Southern California to meet demand. Within days, UP had repositioned locomotives within the Los Angeles Basin and prepared them for immediate deployment. UP also ensured sufficient onsite crew support by executing 15 borrow-outs and increasing staffing along key lanes with projected impacts. To meet the projected increase in intermodal traffic, UP also repositioned empty intermodal wells in strategically placed locations near the Los Angeles Basin.

398. UP's team held frequent calls with foreign carriers to understand changing flows into the main line network and the pipeline from Los Angeles to Chicago. At terminals, UP coordinated with vendors to secure the resources needed

to ensure that ramp productivity could meet demand. UP also worked with customers to maximize the efficiency of equipment flows on key portions of the network.

399. As it took all these steps, UP closely monitored metrics like train speed, car velocity, and car inventory both locally and throughout the network.

400. UP's response strategy minimized both the severity and duration of the surge while protecting the rest of the network from cascading effects. In the wake of the intermodal rush, UP invested in higher-frequency dock monitoring to provide even greater visibility into port infrastructure.

2. Upper Great Lakes (June 2024)

401. In June of 2024, UP faced a challenging rainy season in the Upper Great Lakes region. Over a two-week period, shifting weather and flood patterns caused daily changes in the lines the railroad could keep open for service. UP established a war room to coordinate operations across departments.

402. Each day, as new weather reports arrived, UP determined which lines would be affected and where affected traffic could be shifted. It readjusted transportation plans to accommodate the altered traffic flows and shifted ATR locomotives to support the revised plans. UP's Engineering team worked around the clock to restore routes and repair bridges as a result of the historic flooding events in Northern Iowa and throughout Minnesota. UP's CC&S team then identified which customers would be impacted and provided them updates on changes to operations. The next day, UP repeated the same process to ensure traffic continued flowing to the maximum extent possible and customers remained informed.

403. Throughout this episode, UP closely tracked inventory and traffic flow metrics to identify hot spots and divert additional resources where necessary. This response strategy enabled UP to contain the effects of the disruption to the affected region and substantially mitigated the impacts of the weather on customers.

3. Baltimore Key Bridge Collapse (March 2024)

404. On March 26, 2024, a cargo vessel struck the Francis Scott Key Bridge in Baltimore, Maryland, resulting in the collapse of the bridge and the blockage of a key East Coast Port for almost three months. This event severed one of NS's largest bulk lanes: export coal from Southwest Pennsylvania through the Port of Baltimore. In addition to the bulk impacts, the blockage created a supply chain disruption for international steamship lines, which were unable to get units into or out of the Port. NS responded to these rapidly changing customer needs through a multi-pronged approach that required close coordination between the Operations and Commercial teams. To restore the coal flows and enable a large customer to continue to operate their mines, NS shifted this globally significant export coal volume to NS's Lamberts Point Coal Pier in Norfolk, Virginia. This was a massive routing shift that required adding locomotive resources due to the extended distance and grade of the diversion route. Between the Pennsylvania mines and the Norfolk Pier, NS deployed more than 40 Train and Engine employees via "Go Teams" to handle the diverted traffic. The results achieved were record coal loadings at Lamberts Point in the two-month period following the bridge collapse, with over 2 million tons loaded in May, the first time this benchmark had been reached since April 2013.

405. To address the supply chain disruption experienced by the steamship lines, NS responded by popping up an international intermodal service at the Baltimore Intermodal ramp, which had previously processed only domestic shipments. To add the international service, Service Design quickly developed a train plan to and from the Port of New York and New Jersey into Baltimore, connecting to existing services where possible to maximize efficiency. The Intermodal Commercial team worked with customers to quantify shipping requirements and establish expectations for handling international shipments at this domestic ramp. In doing so, NS leveraged its Triple Crown Services, Inc. network to provide drayage to and from Seagirt Marine Terminal. This complex movement required constant communication between Intermodal Customer Logistics and shippers, along with close coordination with the Operating Team.

406. Overall, the comprehensive NS response to the disruption solved problems for our customers and kept the NS network moving fluidly.

4. Hurricane Helene (September 2024)

407. Hurricane Helene made landfall as a Category 4 hurricane near Big Bend, Florida, in late September 2024 and proceeded to cause significant damage throughout the Southeast, particularly in NS's Coastal, Gulf, and Blue Ridge Divisions. In advance of the storm, NS closely monitored the storm approach and established a war room within NS's Network Operations Center ("NOC") to ensure maximum coordination across the various Operating Groups. NS Engineering forces were able to strategically pre-position personnel, equipment, and material in key locations along core routes, including coordination with the NOC to stage loaded

Herzog ballast trains and GREX dump trains. Coordination even extended to Enterprise Resources (Sourcing), which worked to secure rock quarry support and local trucking support for anticipated restoration efforts. The NOC and the war room safely managed operations while NS Engineering restored the two most crucial routes—the GS&F and Southern Mains—within 24 hours. All core routes were restored within 72 hours except for the AS Line, which incurred catastrophic destruction. The immediate restoration efforts involved the clearing of over 15,000 downed trees. Following the track restoration, NS closely coordinated traffic flows and tactically managed the transportation plan to carefully reestablish service while ensuring yard resources were not overwhelmed. Throughout the process, NS's Customer Logistics group kept customers informed of impacts via broadcast messages and direct customer communication.

E. Applicants' Contingency Plans for Merger-Related Service Disruptions

408. Applicants modeled their contingency plans for merger-related service disruptions on Applicants' existing contingency plans and problem-solving procedures described above. The following sections describe how, post-merger, Applicants plan to address potential merger-related service disruptions, promptly restore adequate service levels, and utilize problem resolution teams and procedures.

1. Risk Identification and Assessment

409. As discussed above, Applicants engaged in a risk assessment process that identified three broad areas that create risks of merger-related service disruptions: changes in traffic levels and patterns, changes in procedures and

processes, and changes in IT systems. Applicants concluded that the risk of merger-related service disruptions would be highest at the classification yards and intermodal terminals with the most merger-related operational changes. Those classification yards and intermodal terminals are located in the following gateways: Chicago, St. Louis, Kansas City, Memphis, and New Orleans. In those yards and terminals, not only could changes in traffic flows present risks, but any unexpectedly negative impacts arising from changes in procedures, processes, and systems during the integration process could also potentially pose additional risks to operations. Applicants also concluded that they should develop contingency plans for the main line from Kansas City to Butler via Sidney, which they will use for the first time as a significant route for traffic moving between the legacy UP and NS systems, as well as for the main lines from New Orleans to Birmingham and from Birmingham to Atlanta, because these corridors are expected to experience a significant amount of construction to accommodate projected growth.

410. Applicants have documented their contingency plans for addressing merger-related service disruptions on the main lines identified above and in Chicago, St. Louis, Kansas City, Memphis, and New Orleans, including the elements described in the following sections, in Appendix A.

2. Identification and Maintenance of Buffer Resources

411. As discussed above, service disruptions ultimately manifest as an inability to move current traffic volume because of a shortage of one or more of five critical resources: main lines, terminals, crews, locomotives, and rail cars. For each of the areas described above, Applicants have compiled information regarding likely

sources of buffer resources. Specifically, for the Kansas City to Butler, New Orleans to Birmingham, and Birmingham to Atlanta line segments, Applicants identified and show in their contingency plans in Appendix A:

- Main lines: alternate main lines that could be used to route traffic to avoid the line segment, including lines requiring detours over other railroads.
- Yards/Terminals: alternate yards/terminals that could be used to accommodate traffic that cannot access terminals on the line segment.
- Crews: the crew base used to crew trains that move over the line segment and the next closest crew base point on the network.
- Locomotives: the two terminals closest to the line segment with a sizable number of ATR locomotives and the projected number of ATR locomotives at each terminal.

412. Similarly, for each of the gateways identified above, Applicants identified and show in their contingency plans in Appendix A:

- Main lines: alternate main lines that could be used to route traffic to avoid the terminal, including lines requiring detours over other railroads.
- Yards/Terminals: alternate yards/terminals that could be used to accommodate traffic that cannot access the terminal.
- Crews: the crew base used by crews that report to the terminal and the next closest crew base point on the network.
- Locomotives: the two terminals closest to the terminal with a sizable number of ATR locomotives and the projected number of ATR locomotives at each terminal.
- Rail cars: the two terminals closest to the line segment with a sizable number of available rail cars and the projected car needs at each terminal.

3. Monitoring to Detect Merger-Related Service Disruptions

413. Applicants believe that the operations monitoring they conduct in the ordinary course of business will be more than sufficient to detect merger-related service disruptions. However, as an added layer of protection, UP/NS will monitor operations in its principal classification yards using the terminal dwell benchmarks established in Part XII of this Service Assurance Plan.

414. Based on their experience, Applicants believe terminal dwell times in manifest yards are a meaningful indicator of network health in a terminal area and provide an important leading indicator of potential issues on the main lines leading into and out of the terminal area.¹⁹⁴ Terminal dwell time information from principal classification yards will provide information regarding network health in and around the gateways of Chicago (Proviso, Elkhart), St. Louis (A&S); Kansas City (18th Street), Memphis (North Little Rock, Sheffield), and New Orleans (Livonia). Information about network health in the Kansas City gateway will provide an indicator of potential issues involving the Kansas City to Butler main line. Terminal dwell times for principal classification yards will also provide a broad view of the combined network's health, as the principal classification yards connect key locations on all principal routes.

¹⁹⁴ As discussed above in Section XII.B.2, terminal dwell times for intermodal terminals are based on the time between when a railroad grounds a container and the time the container leaves the terminal, which often depends more on local drayage operations than the health of railroad operations.

415. In addition to the specific monitoring measures described above, UP/NS will increase the combined company’s level of vigilance when portions of the combined network experience significant changes as part of ongoing integration efforts—for example, during and immediately after significant changes in terminal operations, during and immediately after IT system cut-overs that affect key operating systems, including systems related to customer car ordering and waybilling, and during and immediately after periods in which legacy NS employees become subject to legacy UP operating rules.

416. Further, as discussed below, UP/NS will establish “go teams” of managers, supervisors, and other personnel who will be prepared to travel to locations that are implementing significant changes as part of the integration process to provide on-the-ground guidance if service issues emerge.

417. In addition, as described in the Customer Service section of this Service Assurance Plan, UP/NS will ensure adequate numbers of trained customer service personnel are available to answer questions and respond to any issues that may arise when customer service functions are integrated and customers begin using new systems for car ordering and waybilling.

4. Developing and Executing Response Actions Through a Special Problem Resolution Team

418. UP/NS will create a special merger-related problem resolution team to address any merger-related service disruptions during the merger integration period. UP/NS will activate the special problem resolution team if the previous month’s terminal dwell time in any of the combined railroad’s principal classification yards

exceeds a predetermined threshold: 36 hours for yards on the legacy NS system, and 29 hours for yards on the legacy UP system. Exceeding the dwell-time threshold would not mean that a merger-related service disruption has occurred or that any special action is required. However, it would signal the need for attention and investigation.

419. Applicants developed these thresholds based on their experience with the correlation between terminal dwell times and service issues. They expect that the combined railroad will use a single standard for all yards on each legacy network, rather than separate standards for each yard, for manageability purposes. However, use of a lower threshold for legacy UP yards appropriately reflects UP's practice of using tighter terminal cutoff times and transportation plans that drive lower dwell times.

420. Applicants' benchmarking data show the 36- and 29-hour thresholds are appropriately calibrated to identify potential merger-related problems. During the 36-month period prior to Applicants' filing of their notice of intent to file their original merger application, NS's operations would have activated the special problem resolution team 55 times, and UP's operations would have activated the special problem resolution team 47 times. The thresholds would have appropriately signaled UP's and NS's service difficulties during the post-Covid period, as well as other events that caused short-term service disruptions.

421. The special problem resolution team will be led by the relevant regional vice president and include senior representatives from at least the following functional areas:

- Network planning
- Crew management
- Locomotive management
- Car management
- Regional management of the affected region
- Service unit management of the affected service unit
- Terminal management of the affected terminal
- Information technology
- Passenger operations
- Customer care and support
- Short line management
- Safety
- Law

422. The special problem resolution team will coordinate (and may overlap) with UP/NS personnel who will address non-merger-related service disruptions. It will convene at least once a day until actual dwell-times in the yard or yards at issue fall below the threshold and remain below the threshold for seven consecutive days, or until the team determines that the issue causing the decline in the pre-merger baseline measures is not merger-related.

423. The special problem resolution team will follow the same basic problem resolution procedures in resolving merger-related service problems that UP/NS will apply to other service problems, and which are described in detail above, with one exception. The exception is that they will also assess whether the issue causing the increased dwell time is merger-related. If they determine the issue is merger-related, they will attempt to identify the underlying cause of the problem as a non-execution issue or an execution issue, and at the same time, they will use the menu of buffer resources described above, as well as their experience and judgment, to determine the most appropriate way to apply those resources to promptly restore adequate service levels. Further, as they direct resource changes, they will continue to monitor the results to evaluate the need for additional changes. The special problem resolution team will also be empowered to recommend rolling back any integration-related changes to reevaluate the change and the implementation process.

424. In addition, UP/NS will create “go teams” of managers, supervisors, and other personnel that the special problems resolution team can rapidly deploy to locations experiencing merger-related service disruptions that they determined resulted from execution errors at the local level. The precise configuration of the “go teams” will depend on the nature of the disruption and the resources needed to address the disruption, but the teams will include personnel with experience and judgment to identify and fix issues that require additional training and direct supervision to address.

425. Finally, the special problems resolution team will be tasked with identifying root causes of any merger-related service disruption and developing and supervising the execution of plans to ensure problems do not recur. This might include supervising transportation plan redesigns or supervising the development of additional training and testing tools and processes before integration activities proceed.

5. Monitoring Response Effectiveness

426. As discussed above, the special merger-related problem resolution team will monitor the effectiveness of UP/NS's response to any merger-related service disruptions and direct additional resource changes if it concludes such changes are necessary. The special team will remain responsible for monitoring any necessary service recovery efforts until actual dwell-times in the yard or yards at issue fall below the threshold and remain below the threshold for seven consecutive days.

427. Once the special problem resolution team's monitoring role is concluded, the team will prepare a report documenting both the cause of the issue and any lessons learned that would aid in future efforts. The special team will also consider, and its report will also address, whether monitoring additional metrics would provide earlier identification and correction of similar problems in the future.

6. Stakeholder Communications

428. In addition to the communications UP/NS would share with stakeholders following a substantial disruption of service from any cause, UP/NS would provide additional reporting for merger-related service disruptions.

429. If the special merger-related problem resolution team is activated, UP/NS will inform the Board’s Office of Public Assistance, Government Affairs, and Compliance (“OPAGAC”) and describe the railroad’s efforts to identify the root cause of the increase in dwell time and its plan for promptly resolving any merger-related service disruption.

430. Unless UP/NS subsequently determines the root cause is not merger-related, the combined company will report to OPAGAC on a weekly basis until actual dwell-times in the yard or yards at issue fall below the threshold and remain below the threshold for seven consecutive days.

7. Commitment to Working with Other Carriers

431. In addition to committing to the measures described above, Applicants commit to ensuring that the combined railroad will work with other carriers to overcome serious service disruptions on their lines during the transition period and afterwards.

432. UP and NS have long worked with other carriers to establish detour arrangements and other cooperative efforts when they experience serious disruptions on their lines and other carriers are in a position to provide assistance to UP or NS, or when other carriers experience serious disruptions and UP or NS is in a position to provide them with assistance. The combined company will continue to seek cooperation from other carriers when the combined company needs assistance, and the merged company will continue UP’s and NS’s practices of cooperating when other carriers approach UP/NS for assistance.

F. Remedies for Service Disruptions

433. The Board's rules require Applicants to suggest a protocol for handling claims related to failure to provide reasonable service due to merger implementation problems and state that commitments to submit all such claims to arbitration will be favored. *See* 49 C.F.R. § 1180.1(h)(5). Applicants are carefully planning and staging the integration process to ensure the merger improves service for their customers. Their record of recent, successful cutovers of major systems provides good reason for confidence. Applicants are willing to offer customers the option of arbitration in the event they raise merger-related service claims. However, Applicants urge customers to raise any merger-related service concerns using well-established channels of communication with customer care personnel and contacts within the Marketing and Operating departments of the combined railroad. If a customer believes merger integration is causing a service problem, UP/NS should have the opportunity to hear and respond to the customer's concerns.

434. If a customer believes it has been damaged by a merger-related deterioration in service and is not satisfied with the combined railroad's response, Applicants are willing to resolve claims using a formal arbitration process. Applicants describe the process in detail in Appendix B to the Service Assurance Plan. Under the process, arbitration would be available to resolve damages claims filed by shippers of non-exempt commodities under common carrier service during the three-year merger integration period. The process would be administered by JAMS on a confidential basis and is designed to resolve the matter quickly through issuance of a final, binding, enforceable decision with only a limited right to appeal.

435. Applicants expect no customer will ever have cause to invoke the arbitration process, but the process will be available as an option to pursuing claims outside of formal judicial or regulatory proceedings.

X. Coordination of Freight and Passenger Operations

436. In this Part of the Service Assurance Plan, Applicants describe how they will continue to facilitate passenger operations, fulfill existing performance agreements for passenger services, ensure effective communication with passenger operators, and avoid potential negative impacts on passenger rail service that otherwise might be associated with a transaction of this type. Applicants also describe their current coordination with passenger operators, including communication and operating protocols. Applicants each work closely and collaboratively with their passenger rail partners, and the combined transcontinental railroad will continue to do so following the merger.

437. As hosts to Amtrak, Applicants devote significant time and resources to satisfying both contractual and statutory obligations. Under 49 U.S.C. § 24308(a), Applicants provide services to Amtrak under contractual arrangements. Under 49 U.S.C. § 24308(c), Amtrak has a statutory right to preference over freight transportation. Section 24308(f) contains a Congressionally established on-time performance standard that applies to Amtrak. Congress charged the Federal Railroad Administration with developing a metric for measuring on-time performance. FRA's metric is referred to as Customer On-Time Performance ("COTP").¹⁹⁵

¹⁹⁵ See 49 C.F.R. § 273.5(a)(1).

438. As a regulatory mandate, COTP is separate from Applicants’ contractual performance obligations under 49 U.S.C. § 24308(a). The Board’s merger regulations, 49 C.F.R. § 1180.10(b), require Applicants to describe “how they would continue to facilitate [Amtrak or commuter] operations so as to fulfill existing *performance agreements* for those services” (emphasis added). Applicants therefore focus the following section on their contractual obligations to Amtrak and the other passenger services that operate over their lines.

A. Facilitating Passenger Operations to Fulfill Contractual Obligations

439. The accompanying Operating Plan describes in detail the current passenger services that operate over Applicants’ lines. These services generally operate pursuant to commercial agreements, some of which contain negotiated performance standards, performance-related payment schemes, or other performance-related provisions as described below.

440. The UP/NS merger will not result in any adverse impact to passenger operations. UP/NS will facilitate passenger operations hosted on UP/NS lines. As described in the Operating Plan, the merger will not change—or will reduce—train counts on many of the lines on which the combined UP/NS will continue to host passenger operations. Where Applicants project that a route on which they host passenger operations will experience a merger-related increase in train counts, they have planned to ensure the route will have sufficient capacity to fulfill any contractual commitments to passenger carriers.

1. Passenger Rail Services on UP

441. On its network, UP hosts Amtrak, other passenger rail services, and commuter rail services, as described in more detail in the Operating Plan.

442. **Amtrak.** Except as described below for particular Amtrak services, UP’s contractual obligations to Amtrak for Amtrak-operated services hosted by UP are governed by a January 1, 2000, agreement (as amended) between UP and Amtrak (the “UP-Amtrak Agreement”) that sets forth terms and conditions for coordinating freight and passenger services over UP’s network.¹⁹⁶ That agreement provides {{

}} As described in the Operating Plan, Applicants expect that the merger will remove freight trains from Amtrak’s Lincoln (Illinois), Missouri River Runner, and Lincoln/Missouri routes and a portion of the Texas Eagle route in the Optimized Plan. Applicants do not expect that the merger will add freight trains to Pacific Surfliner, or Winter Park (Ski Train) routes. For Amtrak routes where Applicants expect to add freight trains in the Growth Plan—the Sunset Limited, California Zephyr, Missouri River Runner, Lincoln/Missouri, Capitol Corridor, and Gold Runner routes and a portion of the Texas Eagle route—the Operating Plan and accompanying workpapers show that (1) existing main line capacity is sufficient to

¹⁹⁶ See Workpaper “Amtrak - Agreement.pdf”; Workpaper “Amtrak - Amendment Agreement.pdf.”

accommodate projected traffic levels while maintaining current passenger service levels or (2) Applicants' plans to increase main line capacity will accommodate projected freight traffic growth without disruption of passenger services.

443. *Amtrak's Capitol Corridor Service*. UP, the Capitol Corridor Joint Powers Authority, and Amtrak are parties to a December 1, 2003, Agreement on Performance Payment for Operation of Capitol Corridor Trains in California.¹⁹⁷ In that agreement, {{

}}

444. As described in the Operating Plan, Applicants' plan to institute new intermodal services between Northern California and the Northeast and Northern California and the Southeast would add two train pairs to the Capitol Corridor route between Elvas, California, and Auburn, Applicants' plan to institute additional manifest service between Roseville and North Platte would add one train between Roseville and Auburn, while rationalizing two existing trains across this line segment. Also as shown in the Operating Plan, the Capitol Corridor route has sufficient capacity to accommodate the additional trains while maintaining current passenger service levels.¹⁹⁸

¹⁹⁷ See Workpaper "Capitol Corridor - Performance Payment Agreement.pdf."

¹⁹⁸ See Op. Plan § 8.1.1.2.

445. *Amtrak’s Pacific Surfliner Service.* The Pacific Surfliner is the subject of a December 15, 2022, agreement between UP and the Los Angeles-San Diego-San Luis Obispo Rail Corridor Agency (“LOSSAN”) (the “UP-LOSSAN Agreement”), in which the parties agreed that the incentive portion of the UP-Amtrak Agreement would not apply and instead established a separate incentive-based performance payment scheme for the Pacific Surfliner.¹⁹⁹ Under the UP-LOSSAN Agreement, UP receives incentive payments based on on-time performance levels. If end-point on-time performance falls below 75 percent of the stated levels, the parties must meet to discuss root cause issues and determine potential mitigation measures. Under the terms of a June 1, 2025, amendment to the UP-Amtrak Agreement, the penalty portion of the UP-Amtrak Agreement applies to the Pacific Surfliner service. As explained in the Operating Plan, Applicants do not expect that the merger will add trains to the Pacific Surfliner route.²⁰⁰

446. *Amtrak’s Sunset Limited Service.* In a 2025 agreement with Amtrak,
 {{

}}²⁰¹ As explained in the Operating Plan, Applicants plan to increase main line capacity on the Sunset Limited route to ensure UP/NS has sufficient

¹⁹⁹ See Workpaper “Pacific Surfliner - Passenger Rail Cooperative Agreement.pdf.”

²⁰⁰ See Op. Plan § 8.1.1.8.

²⁰¹ See Workpaper “Sunset Limited - Settlement Agreement.pdf.”

capacity to maintain passenger service levels while accommodating a projected merger-related increase in freight traffic moving over that route.²⁰²

447. **Rocky Mountaineer (Seasonal).** UP and Rocky Mountaineer have a passenger rail operating agreement governing the Rocky Mountaineer’s seasonal service.²⁰³ Under the agreement, {{

}} As explained in the Operating Plan, Applicants do not expect the merger to increase the number of trains operating over the Rocky Mountaineer route.²⁰⁴

448. **ACE (Commuter).** UP and the San Joaquin Regional Rail Commission have a trackage rights agreement governing access to UP’s lines for the Altamont Corridor Express (“ACE”) service.²⁰⁵ Under the agreement as amended, {{

²⁰² See Op. Plan § 8.1.1.9.

²⁰³ See Workpaper “Rocky Mountaineer - Operating Agreement.pdf.”

²⁰⁴ See Op. Plan § 8.1.3.6.

²⁰⁵ Workpaper “ACE - Trackage Rights Agreement.pdf”; Workpaper “ACE - First Amendment to TRA.pdf”; Workpaper “ACE - Fourth Amendment to TRA.pdf”; Workpaper “ACE - Sixth Amendment to TRA.pdf.”

}} As explained in the Operating Plan, Applicants’ planned new intermodal services between Northern California and the Northeast and Northern California and the Southeast would affect a small part of the ACE route, but the corridor’s existing configuration supports Applicants’ projected merger-related traffic increase while maintaining the current passenger service levels.²⁰⁶

449. **Caltrain (Commuter).** This commuter service is governed by a trackage rights agreement between a UP predecessor and the Peninsula Corridor Joint Powers Board, the organization that owns and manages Caltrain.²⁰⁷ Under the agreement, UP maintains dispatching control of the line used by Caltrain. There are no performance standards or performance payment schemes under the agreement. As explained in the Operating Plan, Applicants do not expect the merger will increase the number of trains operating over the line used by Caltrain.²⁰⁸

450. **Metra (Commuter).** There are no contractual performance standards for Metra’s operations on UP’s lines in the Chicago area. The Purchase of Service

²⁰⁶ See Op. Plan § 8.1.3.1.

²⁰⁷ See Workpaper “Caltrain - Trackage Rights Agreement.pdf.”

²⁰⁸ See Op. Plan § 8.1.3.2.

Agreement that previously governed the relationship between UP and Metra expired in June 2025. The Board subsequently entered an order granting terminal trackage rights to Metra, and the parties are engaged in negotiations regarding terms and conditions. *See generally Commuter Rail Div. of the Regional Transp. Auth.—Terminal Trackage Rights—Union Pac. R.R.*, Docket No. FD 36844. As explained in the Operating Plan, UP/NS will have sufficient capacity to accommodate a projected merger-related increase in freight traffic moving over a portion of UP’s Geneva Subdivision used by Metra while maintaining the current passenger service levels.²⁰⁹

451. **Metrolink (Commuter).** UP and the Ventura County Transportation Commission have agreements related to the Metrolink commuter services over UP’s lines in California. A Commuter Train Access Agreement, as amended, governs Metrolink’s use of UP’s lines between Moorpark and North Montalvo.²¹⁰ The Riverside Operating Agreement, as supplemented, governs Metrolink’s use of UP’s lines between West Riverside and Los Angeles.²¹¹ Under the agreements, UP has dispatching authority on the lines used by Metrolink and is generally required to give priority to Metrolink commuter trains in defined situations. There are no performance standards or performance-related payment schemes. As explained in the Operating Plan, the corridor’s existing configuration supports a projected merger-

²⁰⁹ *See* Op. Plan § 8.1.3.3.

²¹⁰ *See* Workpaper “Metrolink - Commuter Access Agreement.pdf;” Workpaper “Metrolink - Third Amendment to CAA.pdf.”

²¹¹ *See* Workpaper “Metrolink - Riverside Operating Agreement.pdf;” Workpaper “Metrolink - Supplemental Agreement to Riverside OA.pdf;” Workpaper “Metrolink - Saugus and Ventura Shared Use Agreement.pdf.”

related increase in freight traffic of approximately two trains per day while maintaining the current passenger service levels.²¹²

2. Passenger Rail Services on NS

452. On its network, NS hosts Amtrak, other intercity passenger rail services, and commuter rail services, as the Operating Plan describes in more detail.

453. **Amtrak.** Except as explained below for particular Amtrak services, Amtrak long-distance and state-supported intercity passenger services are covered by a 2006 Off-Corridor Operating Agreement, as amended, between Amtrak and NS (the “Off-Corridor Agreement”).²¹³ Under that agreement, NS has agreed, among other things, to make reasonable efforts to deliver each train to all scheduled stops on NS within its scheduled running time, to avoid delays to trains and make up delays incurred, and to seek ways to reduce the scheduled running time between points. The agreement also contains performance payments and penalties based on the number of minutes of “NSR Delays” that specified Amtrak trains incur. NSR Delays are defined as delays based on certain delay codes and attributable to NS.

454. As described in the Operating Plan, Applicants expect that the merger will add freight trains to all of the routes used by Amtrak services that operate over NS’s lines: the Blue Water, Cardinal, Carolinian and Piedmont, Crescent, Floridian (temporary combination of Capitol Limited and Silver Star services), Lake Shore Limited, Mardi Gras, Pennsylvanian, Pere Marquette, Richmond/Newport

²¹² See Op. Plan § 8.1.3.4.

²¹³ See Workpaper “Amtrak - A&R Off-Corridor Operating Agreement.pdf.”

News/Norfolk, Roanoke, and Wolverine services. The Operating Plan and workpapers explain how there is either sufficient capacity to support the projected freight increase while maintaining the current passenger service levels or how Applicants plan to support the projected freight increase while maintaining the current passenger service levels.²¹⁴

455. *Amtrak’s Carolinian and Piedmont Services.* The Carolinian and Piedmont services are addressed in a 2011 Definitive Service Outcomes Agreement (“DSOA”) among the North Carolina Department of Transportation, North Carolina Railroad Company, NS, and Amtrak.²¹⁵ Under the DSOA, as amended, NS committed to the service frequencies then occurring. The parties also agreed to the schedules for these services and achievement of certain service performance levels. NS’s compliance with the contractual delay standard is based on two metrics. The first is Quarterly Endpoint OTP, which is the average endpoint on-time performance of all specified trains in a quarter. The second is based on NS-Controlled Trigger Delay Minutes, which is the sum of delay minutes as set forth in Amtrak’s conductor delay reports that are determined to be within NS’s control. The contract sets out provisions for root cause analyses, corrective action plans if necessary, remedies, and dispute resolution. As described in the Operating Plan, the route has sufficient existing

²¹⁴ See Op. Plan §§ 8.1.2.1 to 8.1.2.13.

²¹⁵ See Workpaper “Carolinian & Piedmont - DSOA.pdf.”

capacity to support the projected merger-related increase in freight traffic without compromising passenger services.²¹⁶

456. *Amtrak’s Crescent Service.* In addition to the Off-Corridor Agreement’s performance scheme based on delay minutes, an addendum to the Off-Corridor Agreement provides for performance payments and penalties based on COTP.²¹⁷ Further, in 2024 the U.S. Department of Justice (“DOJ”) filed a complaint against NS alleging that NS was failing to provide preference to Amtrak trains on the Crescent route. Without admitting liability, NS entered into a settlement agreement with DOJ on September 8, 2025, which, among other things, provided that NS would grant Amtrak the highest dispatching priority; clarified how dispatching decisions would be made; and mandated retention of certain data and the government’s ability to access the data.²¹⁸ As described in the Operating Plan, UP/NS intends to implement targeted infrastructure enhancements at key locations, primarily focused on the corridor between New Orleans and Atlanta, ensuring the route has sufficient capacity to support a projected increase in freight traffic while maintaining current passenger service levels.²¹⁹

457. *Amtrak’s Roanoke Service.* In addition to the Off-Corridor Agreement discussed above, the Roanoke service is the subject of a 2024 Amended and Restated Comprehensive Rail Agreement between NS and the Virginia Passenger Rail

²¹⁶ See Op. Plan § 8.1.2.3 (Carolinian); *id.* § 8.1.2.10 (Piedmont).

²¹⁷ See Workpaper “Crescent - Addendum to Appendix V.pdf.”

²¹⁸ See Workpaper “Crescent - DOJ Settlement Agreement.pdf.”

²¹⁹ See Op. Plan § 8.1.2.4.

Authority (“VPRA”).²²⁰ Under that agreement, the second round trip between Manassas and Roanoke will be subject to a performance regime based on FRA’s COTP metric, measured on a quarterly basis.²²¹ NS is currently in discussions with VPRA in anticipation of that performance regime becoming effective. As described in the Operating Plan, there is sufficient capacity on the route to support a projected merger-related increase in freight traffic while maintaining the current passenger service levels.²²²

458. **VRE (Commuter).** Virginia Railway Express’s (“VRE”) operations are conducted on NS’s lines pursuant to an Operating Access Agreement among NS and the two owners of the VRE, the Northern Virginia Transportation Commission and the Potomac and Rappahannock Transportation Commission.²²³ The operating agreement provides that NS will make reasonable efforts to avoid unnecessary interference with and to maintain specified schedules of VRE service and that NS will also make reasonable efforts to attain future schedules specified in the agreement. The agreement further provides that NS will make reasonable efforts to avoid delays or cancellations but does not contain specific performance standards. There is sufficient capacity to support the projected merger-related increase in freight

²²⁰ See Workpaper “Roanoke - A&R Comprehensive Rail Agreement.pdf.”

²²¹ Future extension of passenger service to Christianburg, Virginia, would likewise be subject to this performance standard.

²²² See Op. Plan § 8.1.2.12.

²²³ See Workpaper “VRE - Operating Access Agreement.pdf.”

traffic on the approximately 3-mile segment of the VRE route between Manassas and Broad Run while maintaining the current passenger service levels.²²⁴

459. **Metra (Commuter).** Metra’s operation on NS’s line is pursuant to a January 1, 1993, joint line (lease) agreement, as modified by a May 14, 1993, letter agreement, between Metra and NS’s predecessor.²²⁵ The agreement provides that NS maintains dispatching authority; establishes time restrictions on NS operations to accommodate commuter operations; and contains incentive and reverse incentive compensation provisions relating to on-time performance of commuter trains. On-time performance under the agreement is based on either arrival time at specific points or aggregate delay minutes attributable to NS dispatching (within NS’s control) for the commuter train. The agreement gives Metra’s commuter trains priority over all other rail operations on the joint line. As explained in the Operating Plan, Applicants do not expect the merger to add trains to the NS line over which Metra operates.²²⁶

3. Future Passenger Services

460. Applicants are in different stages of discussions with various entities regarding potential future passenger services on their networks (including additional train runs on current services). For example, UP and the Illinois Department of Transportation have entered into a memorandum of agreement for future access to

²²⁴ See Op. Plan § 8.1.4.2.

²²⁵ Workpaper, “Metra - Joint Line Agreement.pdf”; Workpaper, “Metra - Letter Agreement.pdf.”

²²⁶ See Op. Plan § 8.1.4.1.

UP’s lines for intercity passenger rail service between Chicago and Rockford, Illinois. Similarly, NS has worked collaboratively with the City of Charlotte, North Carolina, to incorporate future commuter rail service between Charlotte and northern towns in Mecklenburg County, North Carolina.

461. Because these and other possible future passenger services are not yet “commuter services . . . operated over the lines of applicant carriers,” 49 C.F.R. § 1180.10(b), Applicants do not address them in detail here. To the extent that there are agreements in place regarding future service, Applicants intend that UP/NS will abide by those contractual commitments, as it will with respect to other commercial agreements.

4. Applicants’ Freight Services on Passenger Providers’ Lines

462. Although, as just noted, Board regulations require Applicants to address facilitation of operations only where passenger services “are operated over the lines of applicant carriers,” *id.*, it bears mention that Applicants conversely operate freight services on some passenger lines.²²⁷

463. For example, UP conducts operations over Metrolink in the Los Angeles Basin and over Caltrain in the San Francisco Bay area pursuant to freight easements and separate operating agreements. UP also operates via trackage rights over

²²⁷ There are also instances where passenger lines are adjacent to Applicants’ lines, but where freight and passenger are not using the same track. For example, the Tri-County Metropolitan Transportation District of Oregon (“TriMet”) operates light rail service in and around Portland, some of which shares a corridor with UP with UP and TriMet operating on separate tracks.

portions of the Trinity Railway Express commuter rail system in Texas. The Utah Transit Authority’s FrontRunner rail system generally runs parallel to UP’s right-of-way, but UP operates on some portions of the FrontRunner system to reach local industries.

464. NS operates over three rail lines owned by Amtrak. It operates over the Northeast Corridor (Washington, District of Columbia, to Boston) and Keystone Corridor (Philadelphia to Harrisburg) pursuant to freight easements and over an Amtrak-owned line from Porter, Indiana, to Kalamazoo, Michigan, pursuant to trackage rights.

465. NS also has operating rights over certain rail lines owned by other passenger rail providers—including New Jersey Transit (trackage rights), SEPTA (trackage rights), and VPRA (freight easement).

B. Operating Protocols Ensuring Effective Communication with Passenger Rail Operators

466. Applicants understand the importance of effectively communicating with their passenger rail partners. Each has established protocols for facilitating operations of passenger services over its lines, including protocols for ensuring effective communications. This section describes Applicants’ existing protocols relating to passenger services and plans to ensure the combined railroad’s effective communication with passenger rail providers.

467. For both UP and NS, existing protocols effectively facilitate passenger operations on joint lines in three ways. First, Applicants each have teams with established protocols for communicating and coordinating freight and passenger

operations. Second, Applicants each review performance data to better understand trends related to delays and take more effective action to reduce such delays. Finally, Applicants' dispatcher training programs ensure effective communication and coordination with passenger operators.

1. Communication & Coordination Protocols

a. Union Pacific

468. UP has robust communication protocols that ensure effective coordination with its passenger partners. These protocols include a centralized dispatch center for coordinating operations, recurring meetings with its passenger partners as well as avenues for instantaneous communication, and protocols for addressing service interruptions.

469. To support safe and efficient coordination of freight and passenger operations moving in real time on UP's lines, the railroad has integrated dispatching of passenger trains into the operations of its HDC. Within the HDC, a Senior Director of each territory or service unit has dispatching authority for their specific territory, including any passenger operations on UP's lines within their territory. Each Senior Director is responsible for both freight and passenger services within their territories. They analyze any delays and, depending on the service unit and in association with the Passenger Operations Director, communicate directly with the relevant passenger service.

470. In addition, the HDC has a dedicated passenger operations desk, known as the Passenger Ops Corridor Desk, that operates 24 hours per day, seven days per week. The Passenger Ops Corridor Desk monitors passenger trains on UP's network

to proactively identify potential issues, collaborate with the responsible dispatcher, corridor manager, and/or foreign road to resolve issues, and communicate directly with the relevant passenger service contact. The Passenger Ops Corridor Desk is strategically positioned within the HDC to facilitate real-time access and coordination with on-duty dispatchers and corridor managers.

471. The Passenger Ops Corridor Desk works closely with Amtrak, monitoring the location and performance status of Amtrak trains and corresponding network conditions and handling incident management support for Amtrak trains. Amtrak has a direct line to UP's Passenger Ops Corridor Desk. The Passenger Ops Corridor Desk coordinates services needed by Amtrak, such as when UP provides Amtrak with rescue locomotives and crews to pilot Amtrak trains when their locomotives fail. In addition, the Passenger Ops Corridor Desk participates in a Daily Network call with partners that covers Amtrak services, as well as Metra, Metrolink, and ACE commuter services, that operate over UP's lines. The Daily Network Call does not include Caltrain or the seasonal Rocky Mountaineer service because those entities do not regularly provide performance data to UP. The Senior Directors of the respective service units and the Passenger Ops team coordinate those passenger operations.

472. UP's Senior Directors within the HDC, in association with the Passenger Operations Director, are generally the primary contact for coordinating with ACE, Metrolink, Metra, Caltrain, and Rocky Mountaineer. The Senior Directors of the relevant territories are the Northern California Service Unit for Caltrain and

ACE, the Los Angeles Service Unit for Metrolink, and the Great Plains Services Unit for Rocky Mountaineer. UP communicates and coordinates with Metra through two positions, in addition to the Passenger Operations Director: UP's General Manager of the Chicago Service Unit and UP's Senior Director of the Great Lakes Service Unit (the latter of which handles the mainline operations of the Chicago Service Unit). The General Manager and Senior Director work closely with each other to coordinate UP's and Metra's operations.

473. In addition to the extensive communications that occur through the Senior Directors of the service units and Passenger Ops Corridor Desk, UP holds a variety of regular meetings with Amtrak and other passenger providers to coordinate and discuss passenger rail-related topics. For example, UP has bi-weekly meetings with Metra on performance, bi-weekly meetings with Metrolink on performance, monthly meetings with Amtrak and LOSSAN on performance, monthly meetings with Amtrak on engineering projects, and bi-monthly meetings with Amtrak on state rail projects, to name a few. As previously noted, because neither Caltrain nor Rocky Mountaineer provide regular performance data to UP, UP does not hold regularly scheduled meetings on performance for those services.

474. UP has Microsoft Teams channels dedicated to real-time communications for passenger operations on UP's lines. These channels facilitate the exchange of daily plans, information about service interruptions that could affect passenger operations, and any necessary real-time service adjustments. UP has established Teams chats with Amtrak, as well as with the Capitol Corridor Joint

Powers Authority regarding Amtrak’s Capitol Corridor service, LOSSAN regarding Amtrak’s Pacific Surfliner service, Metrolink, the San Joaquin Regional Rail Commission regarding ACE commuter service, Metra, and Rocky Mountaineer.²²⁸ These channels enable direct, one-to-one chats between UP and passenger rail providers, including Amtrak personnel from Amtrak’s operation centers (Consolidated National Operations Center (“CNOC”) or Oakland Operations) and field teams to discuss various aspects of Amtrak operations.

475. As an additional resource, Amtrak has access to UP’s National Railroad Passenger Corporation Officer (“NRPC Officer”) within the Network Planning Department. The NRPC Officer is responsible for UP’s overall contractual relationship with Amtrak. The NRPC Officer has the responsibility to administer the UP-Amtrak Agreement and to ensure UP’s performance of its obligations thereunder. The NRPC Officer serves as a liaison and is available to meet with Amtrak representatives.

476. Using the channels described above, UP communicates regularly and effectively with its passenger rail partners to notify them of UP engineering projects related to passenger operations, service interruptions or adjustments, station updates, and other information pertinent to passenger train movements across the UP system.

²²⁸ There is no Teams channel set up for Caltrain because the operations that occur on UP’s line between San Francisco and Gilroy are predominantly Caltrain passenger operations requiring comparatively little coordination.

477. For example, UP has an established protocol for communicating with passenger providers in the event of a main line service interruption. Whenever notified of a main line service interruption, the Passenger Operations Manager evaluates the potential impact to passenger operations. The Passenger Operations Manager is then responsible for communicating with the Passenger Operations Director, corridor manager, dispatcher, and the passenger provider (*e.g.*, contacting Amtrak's CNOC) to provide incident and recovery planning information. UP's protocols require the Passenger Operations Manager to maintain an open flow of communication—with updates every 60 minutes—and to coordinate relief crew efforts as necessary.

478. UP's Passenger Train Emergency Preparedness Plans prepared pursuant to 49 C.F.R. Part 239 sets out communication and notification protocols that take effect in the event of a passenger train incident or accident.

479. Complementing these mutually reinforcing communication channels, UP's operational practices facilitate passenger services. In planning for train meets, for instance, UP trains and instructs its dispatchers to prioritize all passenger trains. If a passenger train is delayed, dispatchers must notify the corridor manager, who must also notify the Passenger Ops Corridor Desk for prompt communication and escalation.

480. UP's Passenger Operations Managers are required throughout their shifts to monitor passenger train performance for host-responsible delay and to work to anticipate any possible delays based on train movement (*e.g.*, meets/passes) and

the dynamic environment (*e.g.*, service interruptions). This monitoring reduces delay risk. The Passenger Operations Managers are required to communicate with dispatchers and corridor managers whenever passenger trains are below the delay threshold and whenever a possible delay appears likely. Together, this team collaborates to determine the best course of action to avoid or mitigate delays.

481. Finally, UP uses standard dispatching processes to coordinate freight and passenger operations on passenger lines over which it operates. For example, where the passenger entity dispatches UP crews, the UP crews follow that entity's protocols. If there is any need to communicate with the operator of the line, UP's corridor managers communicate with the relevant contacts to ensure effective and safe coordination. If the owner of a passenger line is conducting maintenance, the engineering groups coordinate and discuss any potential issues.

b. Norfolk Southern

482. NS likewise works closely and collaboratively with its passenger partners to coordinate operations. NS's coordination and communication with passenger providers have many similarities to UP's processes and are grounded in three NS teams.

483. First, much like UP's HDC, NS's NOC, within its Transportation Department, is responsible for ensuring the safe, efficient, and real-time movement of all trains—including passenger trains—across NS's network. The NOC is responsible for dispatching and train movement coordination and communicates with Amtrak control centers and field personnel. Like UP's integrated dispatching at its HDC, passenger operations are integrated into the broader dispatching structure at

NS's NOC. Regional dispatch desks—like UP's Senior Directors of territories—are responsible for coordinating passenger train movements within their territories, including communication with Amtrak and other passenger operators. Like UP's Passenger Ops Corridor desk, NS's regional dispatch desks are staffed 24/7 to ensure continuous oversight and coordination. The NOC is also responsible for implementing operational strategies aligned with NS's two other passenger-related teams, Interline Services and Strategic Planning.

484. NS's Interline Services is responsible for managing day-to-day execution and compliance with operating agreements with Amtrak and other passenger providers, ensuring coordination across shared corridors and adherence to contractual obligations. Interline Services analyzes performance data including on-time performance, manages scheduling, and facilitates communication and recovery efforts during service interruptions. Within this team NS's National Railroad Passenger Corporation Operations Officer is the primary conduit for day-to-day operational coordination with Amtrak. Also within the team, NS's Manager of Interline Planning is responsible for monitoring on a daily basis historical passenger train delay, as discussed further below. NS's Chief Compliance Officer, who reports directly to NS's Chief Legal Officer, is responsible for overseeing the company's compliance function, including NS's compliance with its obligations under 49 U.S.C. § 24308(c).

485. NS's Strategic Planning team leads NS's engagement in long-term passenger rail initiatives and ensures alignment with NS's infrastructure capacity

and applicable regulatory frameworks. This team evaluates proposals for new or expanded service and conducts modeling and analysis to determine infrastructure needs. Within Strategic Planning, the Manager of Passenger Policy has responsibility for policy development and strategic initiatives related to passenger rail. This includes developing, implementing, and enforcing consistent policies for NS's interaction with passenger services. The role also includes evaluating service proposals, supporting regulatory and grant processes, and ensuring alignment with long-term infrastructure and operational goals.

486. NS has robust communication processes with Amtrak and commuter partners to ensure effective communication. To ensure operational alignment with Amtrak, NS participates in coordinating activities with Amtrak on a daily, weekly, bi-weekly, monthly, quarterly, and annual basis related to different lines or issues. For example, NS participates in a daily Northeast Corridor planning call, weekly coordination calls on Amtrak work outage planning, monthly performance reviews, and annual meetings for longer-term planning. Similar recurring communications are maintained for the commuter services that operate over NS lines.

487. Like UP, NS coordinates with affected passenger service providers in advance of planned engineering projects, including service modifications. For example, NS has provided Amtrak and state sponsors with a yearly preview of planned capital work, with increasingly frequent coordination as start dates for specific projects near.

488. In the event of a service interruption, NS contacts Amtrak and other passenger providers, typically over the phone. Like UP, NS regularly uses Teams for timely and effective communication with Amtrak.

489. NS's Passenger Train Emergency Preparedness Plans prepared pursuant to 49 C.F.R. Part 239 establish communication and notification protocols in the event of a passenger train incident or accident.

490. Like UP, NS handles coordination of freight and passenger operations on passenger-owned lines through standard dispatching and engineering communications. For effective and efficient coordination, the specifics of the communications depend on each service. NS runs only local traffic over the lines used by VPRA and New Jersey Transit, so coordination of operations for those lines is handled locally by the Manager of Train Operations and/or the Senior Road Manager. For SEPTA, NS runs both road and local trains over SEPTA's lines, so NS's Harrisburg East Dispatch desk coordinates communications. For example, if NS's allocated daily freight window is missed, the Harrisburg East Dispatcher coordinates an out-of-window move with SEPTA. NS similarly has weekly communications with Amtrak to coordinate outages on Amtrak's NEC or Keystone corridors.

2. Monitoring of Passenger Performance

a. Union Pacific

491. As noted above, UP's agreements with passenger rail providers include performance provisions. For Amtrak, the agreement includes a performance measurement system that Amtrak has named the Delay Avoidance Incentives system, which measures delay based on the concept of host-responsible delay

minutes. Even where UP does not have contractual performance commitments with a passenger service partner, UP nonetheless monitors available performance data, as discussed further below.

492. For Amtrak service, Amtrak provides conductor delay information to UP every two hours; that data is then fed into UP's internal Conductor Delay Report program. UP's program categorizes Amtrak delays as host-responsible, Amtrak responsible, or third-party responsible and includes detailed information on each service, train, and schedule. UP's Passenger Operations Managers and Passenger Operations Director review this information regularly—from daily to quarterly—for accuracy and to request changes, as necessary. The data are then used to provide performance reports by service and train. The information enables UP to better understand trends related to host-responsible delays so that it can better reduce such delays.

493. Internally, UP's Passenger Operations Manager provides to relevant UP personnel a daily report with performance information for Amtrak trains. That report provides the prior day's performance and month-to-date performance for each Amtrak service with respect to the contractual on-time performance standard (host-responsible delay minutes). The report also provides information on Amtrak's active long-haul trains and potential weather issues. The Passenger Operations Manager also prepares bi-monthly reports that are specific to each Amtrak service. Each report contains information such as an overview of situations that have impacted performance for the Amtrak service, discussion of opportunities for improvement, and

action items. Relevant UP personnel also receive a comprehensive monthly report on host-responsible delays to Amtrak services.

494. UP also regularly monitors performance of other passenger providers that provide performance data to UP. For example, the Southern California Regional Rail Authority provides UP with daily, train-by-train delay reports on Metrolink performance. Those reports indicate if a particular train experienced delay and provides an explanation of the delay (*e.g.*, track inspection, interference with freight or Amtrak trains, etc.). Metra similarly provides UP with daily reports on Metra performance, including a train-by-train summary of delay with delay codes and explanation. Metra also provides UP with a monthly report of on-time performance by commuter corridor, showing the total counts of trains it has recorded as delayed and on-time. UP also receives daily conductor delay reports for the ACE commuter service, which include explanations of delay. UP personnel review all these reports daily. Each morning as part of the Daily Network Call, the Passenger Operations Manager addresses passenger service performance, including commuter performance.²²⁹

495. In addition to internal monitoring and data-sharing, passenger train performance is a regular topic in UP's extensive discussions with its passenger partners. With Amtrak, UP holds a monthly discussion on performance, as well as more specific meetings on particular Amtrak services. For example, UP has a

²²⁹ UP does not receive reports on performance for Caltrain. Rocky Mountaineer provides UP with an annual on-time performance report.

monthly discussion with Amtrak and the State of Illinois on the performance of Amtrak's Illinois passenger services (the Lincoln and Lincoln River Runner). UP also holds quarterly meetings with Amtrak relating to its Capitol Corridor, ACE, and San Joaquin services to discuss performance. UP meets every two weeks with Metrolink and with Metra to discuss passenger train performance.

b. Norfolk Southern

496. The Manager of Interline Planning leads NS's monitoring of passenger performance with support from the NOC, field operations, and Strategic Planning. NS's Manager of Interline Planning conducts a daily review of passenger delay data. This position also reviews historical delay data for Amtrak train performance. The Manager of Interline Planning has access to data Amtrak derives from its conductor delay reports. NS has also established daily data feeds to receive this information, which the NOC and Interline Planning then analyze.

497. NS's protocols for reviewing passenger performance data vary depending on the performance regime contained in the applicable contractual agreements. For example, NS has established separate committees with North Carolina, Pennsylvania, and Virginia to review specific state-supported services. These committees, led by Strategic Planning and Interline Planning, meet on a quarterly basis to discuss performance. NS's Off-Corridor Operating Agreement with Amtrak also establishes an administrative process for communication and review of performance data.

498. In addition to internally monitoring passenger performance data, NS provides Amtrak with access to its dispatching system so that Amtrak personnel are

able to review NS's dispatching decisions in near real-time and monitor train performance and individual train delay.

3. Training

a. Union Pacific

499. Dispatcher training is another aspect of UP's current protocols that helps ensure effective communication and coordination with Amtrak and other passenger services that operate over UP's network.

500. UP dispatchers undergo extensive training for approximately six months before operating on their own. The first three months is classroom training with units on the GCOR, Timetables, System Special Instructions, Rules governing Train Dispatchers and Control Operators, CADX dispatcher software, train dispatcher policies, Amtrak's right to preference under 49 U.S.C. § 24308(c), Amtrak routes, and delay coding information. Students take periodic quizzes and must achieve a score of 90 percent or higher on three exams to complete the classroom section of training. Upon completion of the rigorous classroom training, student train dispatchers undergo at least 10 weeks of on-the-job training. This on-the-job training is designed to develop territory-specific knowledge, experience, and judgment.

501. And train dispatcher training never ends. UP train dispatchers must complete an annual rules refresher class, which includes refresher training on passenger operations and Amtrak's rights to preference. In addition to annual classroom refresher training, train dispatchers must successfully complete an annual GCOR test and are tested annually on the Passenger Train Emergency Preparedness

Plans prepared pursuant to 49 C.F.R. part 239 with a minimum passing score of 90 percent on each exam.

502. In addition to this formal education, UP provides quarterly presentations to train dispatchers, Corridor Managers, and Senior Directors specifying UP's obligations under federal law and passenger/commuter contracts, as well as information on delay coding. UP employees involved in supporting passenger operations also have access to online Job Aids, including information relating to passenger rail service.

b. Norfolk Southern

503. Training is also a key component in how NS effectively communicates and coordinates with its passenger service partners.

504. Like UP dispatchers, NS dispatchers undergo extensive training. New dispatchers at NS receive up to 25 weeks of formal training that starts with classroom instruction, then training on hypothetical scenarios, followed by on-the-job training. This training covers operating rules and Amtrak's right to preference, among other things.

505. After completion of formal training, new dispatchers receive coaching in the early years in their position. NS provides recurring training for experienced dispatchers as well, including the use of hypothetical scenarios to test and refresh the dispatchers' knowledge of proper procedures.

506. Further, pursuant to NS's 2025 settlement agreement with DOJ, NS has committed to provide annual training to all NS dispatchers relating to NS's obligation to provide preference to Amtrak trains and to ensure that its general training

programs will include training on providing preference to Amtrak trains in real-world dispatching situations.

507. NS instructs its dispatchers to notify the Chief Dispatcher any time an Amtrak train is going to be delayed or might be delayed. This early communication with the Chief Dispatcher regarding even potential delays helps minimize the impact to Amtrak trains.

C. Applicants' Plans for Effective Communication by the Combined Railroad

508. Applicants have engaged in thorough planning to ensure that the combined railroad will be able to continue to fulfill UP's and NS's performance obligations to passenger rail providers. As detailed in the Operating Plan, for routes where Applicants host passenger services, the proposed UP/NS combination will either add no additional trains, will reduce the number of trains, or, where additional trains are expected, will ensure sufficient capacity to continue to meet legal and contractual obligations. Where Applicants host passenger operations on lines expected to experience merger-related freight traffic growth, Applicants have reviewed capacity data to ensure the lines will have sufficient capacity to accommodate the expected additional trains without negatively impacting passenger operations. Furthermore, the new train and blocking plans for UP/NS are designed to reduce rail car handlings, which should lessen operational variability. Reduced operational variability will in turn bring performance benefits for passenger providers operating on the combined railroad's lines.

509. As additional assurance for passenger service partners as well as UP/NS customers, and as noted earlier in this Plan, the combined railroad will use change management procedures when implementing changes to train and blocking plans. The change management process will consider potential impacts on passenger operations before UP/NS adopts any new train or blocking plan that would affect passenger operators. Specifically, when a change involves a line on which passenger trains operate, the planners will consider the impact of the change on passenger operations and all internal stakeholders—including personnel responsible for passenger operations—must approve an updated transportation plan before implementation can begin.

510. Applicants' existing protocols for communicating with Amtrak and other passenger rail services provide a strong foundation for effective communication with these partners after the transaction. Accordingly, following the merger the combined railroad initially will continue to use the legacy UP and NS passenger teams, dispatching systems, and communication protocols.

511. The combined railroad management then will move to coordinate and streamline, as appropriate, the legacy UP and NS recurring meetings with passenger service providers so that there is a unified point of contact at UP/NS. For example, personnel of the combined railroad will work with their Amtrak counterparts to consolidate the respective UP and NS monthly performance meetings into one consolidated UP/NS monthly performance meeting. Likewise, the combined railroad

would work with Amtrak to consolidate into one meeting the current UP/Amtrak and NS/Amtrak bi-weekly contract coordination calls.

512. Applicants intend that UP/NS will leverage their existing communication structures to address any transaction-related issues or questions that arise with passenger services. For example, in addition to reviewing contractual performance measures at its monthly performance meeting, Applicants expect the combined railroad will work with passenger partners to incorporate the system benchmarking metrics addressed below in Part XII of this Service Assurance Plan, as appropriate.

513. As described in the Information Technology Systems section of this Service Assurance Plan (Part V), prior to implementing any IT system changes, the combined railroad will provide to its passenger service partners a communication package that will include relevant training materials (*e.g.*, quick reference guides) to ensure the passenger rail entities are informed, prepared, and able to ask any clarifying questions prior to the transition. In addition, any IT integration project will involve a thorough analysis of how the planned changes could impact the passenger service partners, whose input will be requested to conduct the impact assessments. As with UP and NS currently, the combined railroad will continue to provide 24/7 contact points for its passenger service partners if they have questions or need support during or after the integration period.

514. As previously noted, because neither Caltrain nor Rocky Mountaineer provides regular performance data to UP, UP does not currently hold regularly

scheduled meetings on performance for those services. Instead, coordination of those passenger operations by the Senior Directors of the respective UP service units and the Passenger Operations team has been successful. As discussed in both the Operating Plan and this Service Assurance Plan, the UP/NS merger will not increase the number of freight trains operating over the lines used by Caltrain or Rocky Mountaineer. As a result, existing procedures should be more than adequate for the combined railroad to ensure effective communication with and facilitation of these services.

515. UP/NS will adopt Applicants' existing channels of communication to provide notifications to passenger rail providers regarding engineering projects, service interruptions or adjustments, and other service-related information. Merger-related projects that could impact passenger operations will be communicated in advance to passenger rail providers in the same manner.²³⁰

516. Applicants are confident the passenger rail monitoring that they conduct in the ordinary course of business and that will be adopted by the combined railroad will be more than sufficient to detect any issues relating to passenger rail performance. In addition to this monitoring, the legacy Passenger Operations Directors and NRPC Officers will monitor the passenger benchmarking metrics described in Part XII of this Service Assurance Plan and the overall performance of passenger services during integration.

²³⁰ Other sections of this Service Assurance Plan describe in detail Applicants' post-merger plans relating to dispatcher training, the integration of dispatching systems, and plans for IT cutovers.

517. Part IX, above, describes Applicants’ contingency plans the combined railroad will use in the event of merger-related service problems. UP/NS will create a special problem resolution team that will address any merger-related service disruption during the merger integration period. That team will be activated based on terminal dwell metrics reflecting Applicants’ experience regarding the correlation between terminal dwell times and service issues. The special problem resolution team will include senior representatives from various functional areas, including passenger operations so that the team can assess impacts on passenger rail operations. These efforts will help ensure that the combined UP/NS will fulfill existing performance agreements relating to passenger service and continue communicating effectively with passenger operations during the merger integration process.

XI. Timetable

518. This Part of the Service Assurance Plan identifies the major functional or system changes that would occur during the integration process and the timeline for successful completion.

519. The information below is organized into half-year periods, beginning with the day control authority is consummated (“Day 1”). It addresses the major functional areas that are the focus of the Service Assurance Plan—operations, information technology, customer service, and training—as well as safety, and key integration milestones in those areas. In substantial part, the information below consolidates timing-related information presented in the separate Parts of the Service Assurance Plan.

520. The Board’s rules in § 1180.10(j) expressly request information about system changes that would occur during the integration process. Consequently, this Part does not address the extensive pre-control date preparation and planning activities that are described in the Service Assurance Plan and that will continue up through Day 1.

A. Day 1 through Day 180

- Key objectives: Operate “as-is” in respective geographies with full enterprise visibility; cross-company access to critical information; aligned incident response and escalation; singular customer-facing entry point.

1. Safety

- Ensure and maintain Day 1 regulatory compliance.
- Align safety rules and disciplinary rules.
- Harmonize critical incident response and escalation.
- Enable cross-company access to risk identification and mitigation datasets.
- Launch integration of safety communication channels.

2. Operations

- Activate consolidated operating governance.
- Ensure full visibility into all network operating metrics.
- Negotiate implementing agreements with labor organizations that have not entered into implementing agreements.
- Implement shared oversight of train and crew management.
- Begin implementing improved operating practices and standardized escalation protocols for safety and incident response.

- Begin launching phased service changes using joint network planning tools (low-risk train and blocking enhancements).
- Begin prioritized terminal rationalizations and workflow redesigns.
- Begin execution of capital projects to enable service growth.
- Stand up problem-resolution team.
- Begin monitoring operational data as provided in contingency plan.

3. Information Technology

- Implement critical cybersecurity fundamentals (*e.g.*, cross-company incident response).
- Implement common data layer to enable network visibility and operational metrics.
- Enable cross-company access to key systems and data after ensuring security and risk protocols are fully implemented.
- Enable cross-company collaboration capabilities.
- Deploy re-branded public web presence and customer portal.
- Deploy interim data feeds for opportunity pipeline and case management reporting.
- Deploy interim solution for customer support (coordinate with customer support).

4. Customer Service

- Institute a single commercial “voice-to-the-customer,” including harmonizing overlapping accounts, unifying customer support exception management resolution processes and quick reference guides, and initiating training across customer-facing teams.
- Institute joint customer support escalation protocols.

5. Training

- Launch onboarding for NS personnel.
- Initiate department specific training programs to include customer-facing teams.
- Operate separate FRA regulatory training.

B. Day 181 through Year 1

- Key objectives: Begin low-risk operational and customer-facing integration efforts, while building toward mid-cycle technology migrations.

1. Safety

- Adopt interim, rules-based process for Train Build (based on Physics Train Builder), enabled by interim tech solution.
- Initiate safety training programs.

2. Operations

- Continue and complete launching of phased service changes (train and blocking plan enhancements).
- Continue terminal rationalizations.
- Initiate unified dispatching and crew management standards.
- Centralize operating management.

3. Information Technology

- Harmonize reference data to serve as a foundation to enable operational and commercial business processes.
- Deliver interim platform to support singular customer experience across shopping, pricing, and onboarding.
- Provide expanded train and locomotive simulation tools.

4. Customer Service

- Deploy interim single customer experience (shopping, pricing, onboarding) with manual back-end orchestration.
- Establish interim pricing and quotations processes.
- Standardize sales Standard Operating Procedures (“SOPs”) and performance management.
- Initiate alignment of case handling protocols and introduce integrated call-routing where feasible.

5. Training

- Deploy safety rules conformity and systems training.
- Complete UP mandatory training for former NS employees.
- Begin dispatcher training for eventual standards convergence.
- Operate regulatory training in compliance with FRA regulations and company standards, while reviewing curricula for alignment opportunities.

C. Year 2, Half 1

- Year 2 key objectives: Execute first wave of key system migrations and higher-impact operating changes that enable end-state efficiencies, supported by rigorous change management and training.

1. Safety

- Integrate monitoring, field support, call center operations into UP Operating Practices Compliance Center.
- Standardize rulebooks/discipline.
- Standardize training and qualifications.
- Expand centralized oversight of safety teams.

2. Operations

- Expand ramp/terminal consolidations.

- Continue execution of capital projects to enable service growth.
- Consolidate mechanical helpdesk.
- Begin launching new services.

3. Information Technology

- Implement the foundational NetControl capabilities, establish a dedicated NetControl training environment, and begin testing and validating NetControl integrations with NS applications.

4. Customer Service

- Continue leveraging interim solutions during end-state technology solution build.
- Align customer care and support protocols.

5. Training

- Review and align regulatory training.

D. Year 2, Half 2

1. Safety

- Initiate integration of Safety Management Systems.

2. Operations

- Align blocking and routing strategies.
- Advance NetControl deployment.
- Advance crew/locomotive planning convergence.
- Consolidate car and back shop operations.

3. Information Technology

- Initiate incremental deployment of NetControl package (including core capabilities like train, terminal, shipment and waybill, scheduling, locomotive, equipment, revenue systems, crew calling).

- Deploy unified data and analytics platforms for performance management and reporting.
- Plan and facilitate NetControl training for legacy NS employees.

4. Customer Service

- Continue leveraging interim solutions during end-state technology solution build.
- Align customer care and support protocols.

5. Training

- Maintain training centers and consolidate where applicable.
- Continue FRA-compliant recurrent training with adoption of UP certification programs aligned with cutover schedules.
- Scale train-the-trainer programs to enable integration changes.

E. Year 3, Half 1

- Year 3 key objectives: Complete full run-rate service with unified systems and processes across the combined railroad.

1. Safety

- Consolidate licensing and certifications for Engineers and Conductors (subject to FRA approvals).

2. Operations

- End-state network planning and execution of unified systems.
- Continue developing and launching new services.

3. Information Technology

- Continued incremental deployment of NetControl.

- Begin consolidation of dispatch, engineering, and mechanical systems.
- Consolidate Positive Train Control back-office systems.
- Deploy unified customer platforms.

4. Customer Service

- Deploy fully integrated customer experience (shopping, pricing, onboarding, and invoicing).
- Establish singular customer relationship management system with merged customer profiles.

5. Training

- Advance full integration of unified UP certification and qualification programs.

F. Year 3, Half 2

1. Safety

- Achieve fully integrated safety, training, and qualified system.
- Achieve fully integrated safety management systems with centralized oversight.
- Achieve unified Physics Train Builder system and processes.
- Implement system-wide predictive risk modeling and inspection.
- Implement engineering and conductor licensing under UP programs (subject to FRA approval).

2. Operations

- Enable predictive analytics and automated scheduling on unified system.
- Enable real-time KPI management across train, terminal, and corridor flows.

- Continue developing and launching new services.
- Complete execution of capital projects to support growth.

3. Information Technology

- Achieve full deployment of NetControl across the combined network.
- Achieve full system and data migration for dispatch, engineering, and mechanical systems.
- Implement unified crew management system.
- Complete consolidation of locomotive fleet and help desks.

4. Customer Service

- Implement standardized governance and claims processes.
- Implement unified company performance indicator reporting.

5. Training

- Complete payroll and timekeeping training.
- Establish harmonized training and certification cadence under UP standards.

Below, Applicants provide the information above divided into function-specific tables.

Table 16
Safety

Year 1	H1	• Maintain regulatory compliance (e.g., permitting, licensing) • Review and align UP-NS Safety rules, discipline • Harmonize critical incident reporting • Visibility into risk identification and mitigation data • Launch integration of safety communication channels
	H2	• Adopt interim, rules-based safety train build process (based on Physics Train Builder (PTB) enabled by interim tech solution • Initiate safety training programs
Year 2	H1	• Integrate all monitoring, field support, call center ops into UP Operating Practices Compliance Center • Standardize rulebooks/discipline and training & qualification
	H2	• Initiate integration of Safety Management Systems
Year 3	H1	• Consolidate licensing and certifications for Engineers and Conductors (subject to FRA approvals)
	H2	• Achieve fully integrated safety training & qualification system, safety management systems • Unified PTB system and process • Implement system-wide predictive risk modeling and inspection • Implement engineering and conductor licensing under UP programs (subject to FRA approval)

Table 17
Operations

Year 1	H1	• Visibility into joint UP-NS operating metrics • Activate joint operating governance • Begin execution of capital projects to enable service growth • Implement shared oversight of train and crew management • Negotiate implementing agreements with labor organizations • Stand up problem-resolution team to monitor operational performance metrics • Begin prioritized terminal rationalizations and workflow redesigns • Launch T-Plan utilizing joint network planning tool
	H2	• Launch new blocking / services • Unify dispatching and crew management standards • Centralize operating management
Year 2	H1	• Expand ramp/terminal consolidations • Continue execution of capital projects to enable service growth • Continue developing and launching new services • Consolidate mechanical helpdesk
	H2	• Align blocking and routing strategies • Advance NetControl deployment and crew / locomotive planning convergence • Consolidate car and back shop operations
Year 3	H1	• End-state network planning and execution on unified systems • Continue implementing new services to accommodate merger-driven and organic growth
	H2	• Predictive analytics and automated scheduling enabled • Continue developing and launching new services • Real-time KPI management across train, terminal, and corridor flows

Table 18
Information Technology

Year 1	H1	• Combined operational metrics data and network visibility established • Implement singular digital branding • Enable cross-company access to systems and collaboration tools • Enable cybersecurity fundamentals (e.g., cross-company security incident response)
	H2	• Establish harmonized reference data for combined organization • Expand train and locomotive simulation tools for NS territory • Implement a consolidated customer experience (shopping, pricing, onboarding, etc.)
Year 2	H1	• Establish NetControl training environment • Implement foundational NetControl capabilities • Begin testing and validation of NetControl integrations to NS systems • Begin incremental deployment of NetControl and crew solutions • Establish a unified data and analytics platform
	H2	
Year 3	H1	• Continued incremental deployment of NetControl and Crew capabilities • Deployment of consolidated dispatch, engineering, and mechanical systems • Consolidate PTC back-office systems
	H2	• Deploy fully integrated customer experience • Complete incremental deployment of NetControl and Crew capabilities • Complete deployment of dispatch, engineering, and mechanical systems

Table 19
Customer Service

Year 1	H1	• Harmonize overlapping accounts to establish a single voice-to-the-customer (Marketing & Sales) • Establish interim opportunity/case visibility and activate joint escalation protocols, hand-offs • Unify call scripts and quick-reference guides; initiate training across customer-facing teams
	H2	• Interim process for unified shopping / pricing / onboarding (via manual orchestration) • Initiate alignment of case handling protocols and integrated call-routing • Interim pricing & quotations processes • Standardize sales SOPs and performance management
Year 2	H1/H2	• Continue leveraging interim workarounds during end-state technology solution build • Align UP-NS CC&S service protocols
Year 3	H1	• Continue leveraging interim workarounds during end-state technology solution build • Fully integrated customer experience (incl. shopping, pricing, onboarding & invoicing) • Singular CRM instance
	H2	• Implement standardized governance and claims processes. • Implement unified company performance indicator reporting

Table 20
Training

Year 1	H1	• Begin train-the-trainer programs for UP curricula • NS onboarding training²³¹
	H2	• Deploy safety rules conformity and system training • NS completes UP company mandatory training • Begin dispatcher training for eventual standards convergence • Achieve compliance with Hazardous Materials training, certifications, and qualifications
Year 2	H1	• Review and align regulatory training
	H2	• Consolidate training centers where applicable • Continue FRA-compliant recurrent training
Year 3	H1	• Advance full integration of unified UP certification programs
	H2	• Complete payroll and timekeeping training • Harmonized training and certification cadence under UP standards

XII. Benchmarking

521. This Part of Applicants’ Service Assurance Plan provides the benchmarking data required by 49 C.F.R. § 1180.10(k).

522. Under section 1180.10(k), the “minimum for benchmarking will be the 12 monthly periods preceding the filing date of the notice of intent to file the application.” In the original Application, Applicants submitted benchmarking data based on the 36 monthly periods immediately preceding the filing date of the notice

²³¹ Train-the-Trainer is a program that equips subject matter experts with instructional skills to effectively teach others, ensuring consistent knowledge transfer across the organization.

of intent to file the original Application (that is, July 2022 through June 2025). Although Applicants have not filed a new notice of intent and the Board waived the prefiling notice requirement in Decision No. 9, Applicants are providing benchmarking data for July 2022 through December 2025 in this Amended Application.

523. Applicants’ benchmarking provides an historic monthly baseline against which the actual post-transaction levels of performance can be measured. Applicants’ benchmarking data are detailed and encompassing to give a meaningful picture of operational performance of the newly merged system.

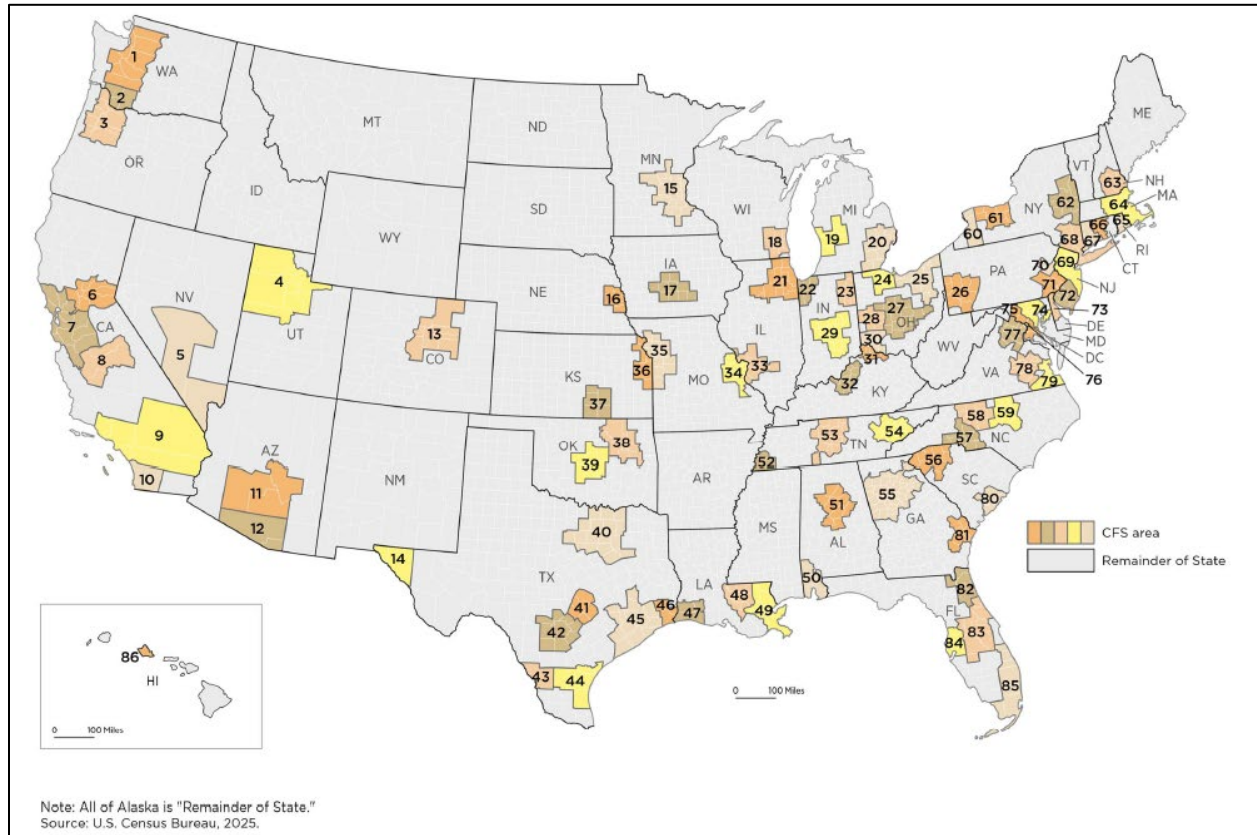
524. Applicants will report the benchmarking data in a matrix structure and provide for the reporting of actual monthly data during the monitoring period.

A. Corridor Performance Benchmarking

525. In accordance with 49 C.F.R. § 1180.10(k)(1), Applicants have developed corridor performance benchmarks consisting of route-level performance information including flow data for traffic moving on their systems. The data encompass flows to and from “major points.”

526. For purposes of corridor performance benchmarking, Applicants defined “major points” as the Commodity Flow Survey (“CFS”) areas used by the U.S. Census Bureau in its most recent Commodity Flow Survey. CFS areas are shown below in Figure 12.

Figure 12: 2022 Commodity Flow Survey Areas²³²



527. Applicants concluded that using CFS areas is appropriate for representing traffic flows to and from major points because the Census Bureau's CFS is designed to provide policy makers and transportation planners information to assess the demand for transportation facilities.²³³

²³² See U.S. Census Bureau, 2022 Commodity Flow Survey (CFS) Areas (2025), <https://www2.census.gov/programs-surveys/cfs/technical-documentation/geographies/2022%20CFS%20Areas%20Map.pdf>.

²³³ See U.S. Census Bureau, Commodity Flow Survey (CFS) , <https://www.census.gov/programs-surveys/cfs.html> (last visited Apr. 28, 2026).

528. Applicants also considered using individual railroad stations but concluded that the number of station-to-station flows required to fully represent system flows would make the service monitoring process unwieldy.

529. To develop corridor performance benchmarks, Applicants mapped their rail stations to CFS areas. In the original Application, for each CFS-area-to-CFS-area flow, Applicants calculated average transit times for all movements flowing between the CFS areas for the 36 monthly periods immediately preceding the filing of notice of intent to file the original Application (that is, July 2022 through June 2025). In this Amended Application, Applicants are providing average transit time calculations through December 2025.²³⁴

530. Applicants applied a uniformly constructed measure of average transit time to data from both UP and NS. Specifically, they measured the volume of cars and transit hours between a combination of CFS origin and destination groupings. Applicants sampled geographic locations based on the volume of cars that represent major network flows. Applicants sorted these flows into three categories: (1) UP intra-lanes, (2) NS intra-lanes, and (3) UP to NS interchanges. Applicants will be able to use the same measure for historic and post-transaction operations.

531. In addition to identifying traffic flows by areas, Applicants identified each movement by commodity sector—that is, as either Intermodal, Manifest/Automotive, Coal Unit, Grain Unit, or Ethanol Unit.

²³⁴ See Workpaper “Corridor Benchmarking Matrix.xlsx,” Tab “Data”; *see also* Workpaper “Corridor Benchmarking Methodology UP 1180.10(k).pdf.”; Workpaper “Corridor Benchmarking Methodology NS 1180.10(k).pdf.”

532. Applicants then used UP and NS traffic data from 2024 to identify enough corridors for reporting purposes to fully represent system flows, including interchanges with 104 short lines and 38 interchange locations with other Class I railroads, and internal traffic of UP and NS before the proposed transaction.²³⁵

1. UP Internal Traffic Benchmarking

533. Applicants developed benchmarks for 25 flows of manifest traffic on the pre-transaction UP system.²³⁶ The 25 flows represented 18 percent of manifest carloads. The 25 flows were chosen from among the top 88 flows to fully represent the geography of the network. These flows include areas where UP interchanges traffic with short lines and other Class I railroads, and the traffic flows over routes on which UP carries substantial volumes of traffic it interchanges with short line and other Class I railroads. The geographic areas covered by these flows are depicted below in Figure 13.

²³⁵ See Workpaper “Consolidated Corridor Lane Selection.xlsx,” Tab “UP OD Manifest.”; Workpaper “Interchanges Impacted - Corridor Benchmarking.xlsx,” Tabs “Class 1 Comp” and “SL Comp.”

²³⁶ See Workpaper “Consolidated Corridor Lane Selection.xlsx,” Tab “UP OD Manifest.”

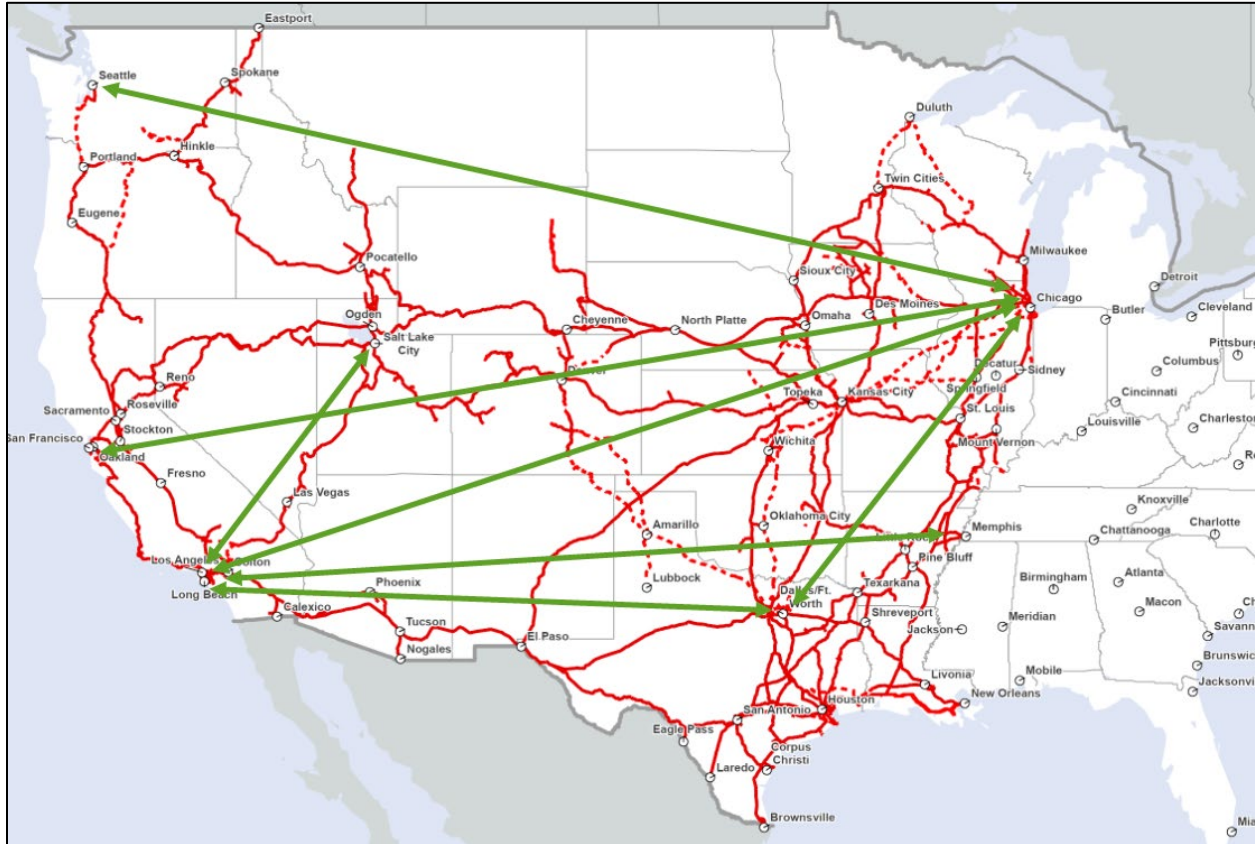
Figure 13: UP Manifest Traffic Flows



534. Applicants also developed benchmarks for the top 7 flows of intermodal traffic on the pre-transaction UP system.²³⁷ The top 7 flows represented 54 percent of intermodal containers. The geographic areas covered by these flows are depicted below in Figure 14.

²³⁷ See Workpaper “Consolidated Corridor Lane Selection.xlsx,” Tab “UP OD Intermodal.”

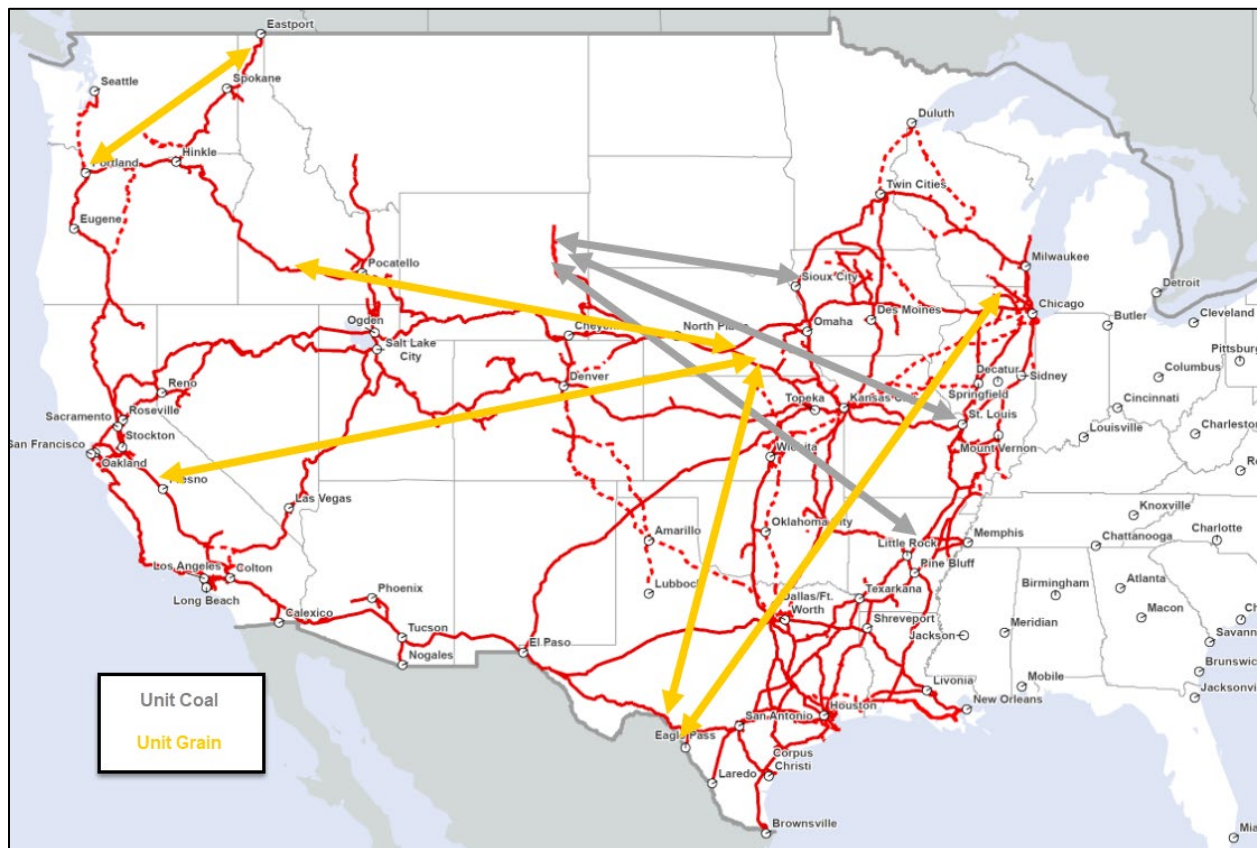
Figure 14: UP Intermodal Traffic Flows



535. Applicants also developed benchmarks for representative flows of coal and grain traffic on the pre-transaction UP system.²³⁸ For unit train traffic, the top flows represented 28 percent of coal traffic and 35 percent of grain traffic. The geographic areas covered by these flows are depicted below in Figure 15.

²³⁸ See Workpaper “Consolidated Corridor Lane Selection.xlsx,” Tabs “UP OD Coal” and “UP OD Grain.”

Figure 15: UP Unit Train Traffic Flows



2. NS Internal Traffic Benchmarking

536. Applicants developed benchmarks for 15 flows of manifest traffic on the pre-transaction NS system.²³⁹ The 15 flows represented 12 percent of manifest carloads. The 15 flows were chosen from among the top 62 flows to fully represent system flows. These flows include areas where NS interchanges traffic with short lines and other Class I's, and the traffic flows over routes on which NS carries substantial volumes of traffic it interchanges with short line and other Class I's. The geographic areas covered by these flows are depicted below in Figure 16.

²³⁹ See Workpaper "Consolidated Corridor Lane Selection.xlsx," Tab "NS OD Manifest."

Figure 16: NS Manifest Traffic Flows



537. Applicants also developed benchmarks for the top 9 flows of intermodal traffic on the pre-transaction NS system.²⁴⁰ The top 9 flows represented 40 percent of intermodal containers. The geographic areas covered by these flows are depicted below in Figure 17.

²⁴⁰ See Workpaper “Consolidated Corridor Lane Selection.xlsx,” Tab “NS OD Intermodal.”

Figure 17: NS Intermodal Traffic Flows



538. Applicants also developed benchmarks for representative flows of coal, grain, and ethanol unit trains on the pre-transaction NS system.²⁴¹ For unit train traffic, the top flows represented 37 percent of coal traffic, 8 percent of grain traffic, and 43 percent of ethanol traffic. The geographic areas covered by these flows are depicted below in Figure 18.

²⁴¹ See Workpaper “Consolidated Corridor Lane Selection.xlsx,” Tabs “NS OD Unit Coal,” “NS OD Unit Grain,” and “NS OD Unit Ethanol.”

Figure 18: NS Unit Train Traffic Flows



3. UP-NS Pre-Transaction Benchmarking

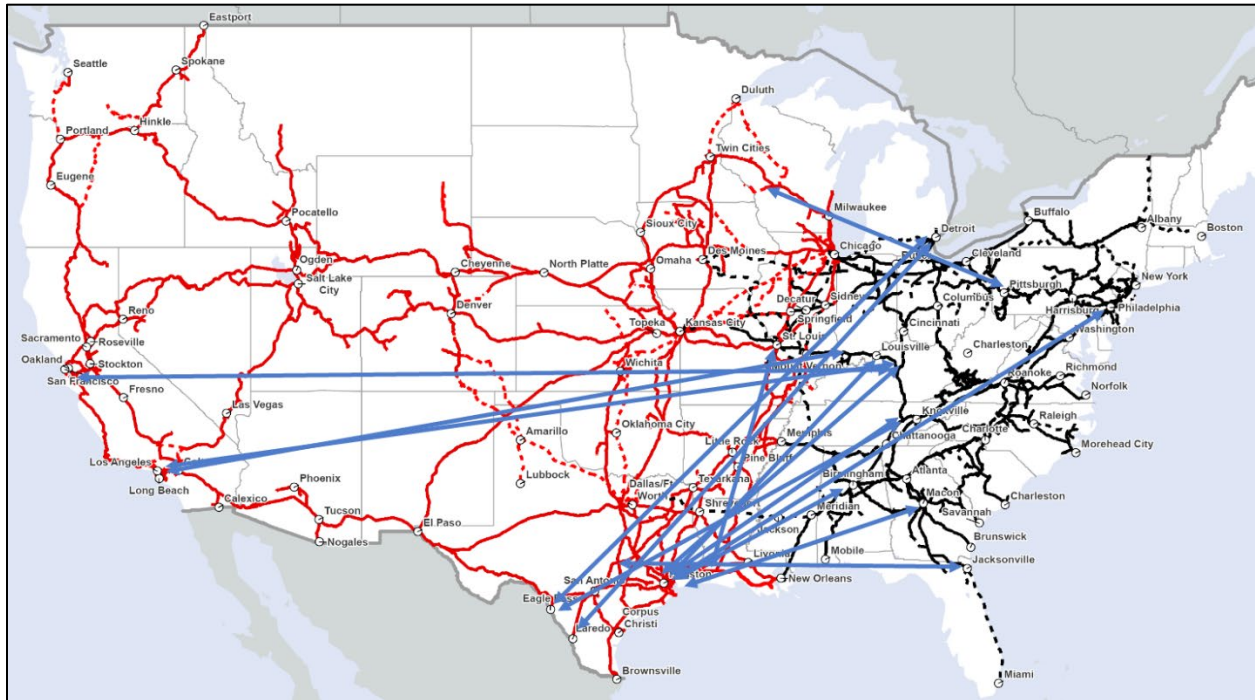
539. Applicants also developed benchmarks for representative flows of manifest, intermodal, and unit train traffic between the pre-transaction UP and NS systems.

540. Applicants developed benchmarks for 15 flows of manifest traffic between the pre-transaction UP and NS systems.²⁴² The 15 flows represented 16 percent of UP-NS interline manifest carloads. The 15 flows were chosen from among

²⁴² See Workpaper “Consolidated Corridor Lane Selection.xlsx,” Tab “UPNS Manifest.”

the top 27 flows to fully represent system flows. The geographic areas covered by these flows are depicted below in Figure 19.

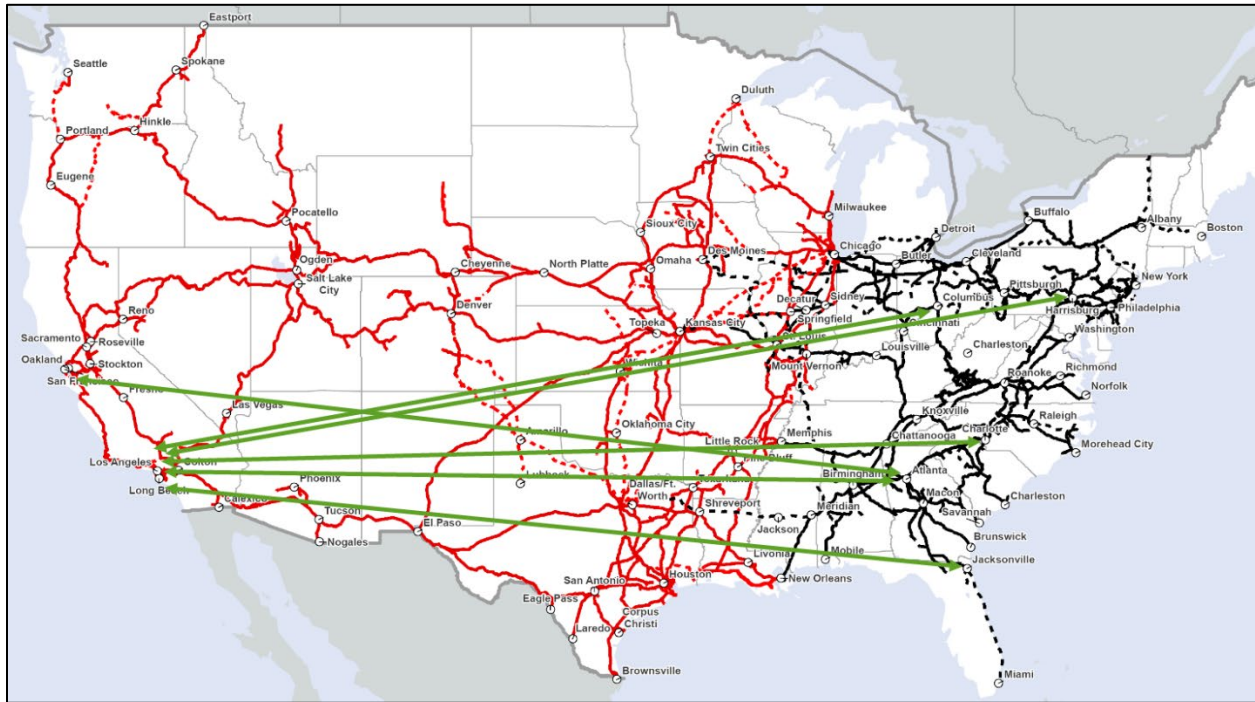
Figure 19: UP-NS Pre-Transaction Manifest Traffic Flows



541. Applicants also developed benchmarks for the top 6 flows of intermodal traffic between the pre-transaction UP and NS systems.²⁴³ The top 6 flows represented 48 percent of UP-NS interline intermodal containers. The geographic areas covered by these flows are depicted below in Figure 20.

²⁴³ See Workpaper “Consolidated Corridor Lane Selection.xlsx,” Tab “UPNS Intermodal.”

Figure 20: UP-NS Pre-Transaction Intermodal Traffic Flows



4. Corridor Benchmarking Data

542. Applicants are providing a matrix structure with historic monthly benchmark data for each flow, including traffic volumes in carloads (units), miles (area to area), and elapsed time in hours for loaded traffic, in Electronic Appendix W.²⁴⁴

B. Yard and Terminal Benchmarking

543. In accordance with 49 C.F.R. § 1180.10(k)(2), Applicants have developed terminal dwell and on-time origination performance benchmarks for principal classification yards and major intermodal terminals, as defined for benchmarking purposes. In the original Application, Applicants used data based on the 36 monthly

²⁴⁴ See Workpaper “Corridor Benchmarking Matrix.xlsx,” Tab “Corridor Benchmarking Matrix.”

periods immediately preceding the filing date of the notice of intent to file the original Application (that is, July 2022 through June 2025). In this Amended Application, Applicants are providing terminal dwell and on-time origination performance data through December 2025.

544. The Board’s rule titled “Yard and terminal benchmarking,” literally requires benchmarking only for “major yards.” However, to ensure compliance, Applicants provide benchmarking information regarding the same “principal classification yards” and “major intermodal terminals” they use for the yard and terminal benchmarking required by 49 C.F.R. § 1180.10(c).

1. Principal Classification Yards

545. Applicants list their principal classification yards for benchmarking purposes below in Table 21.

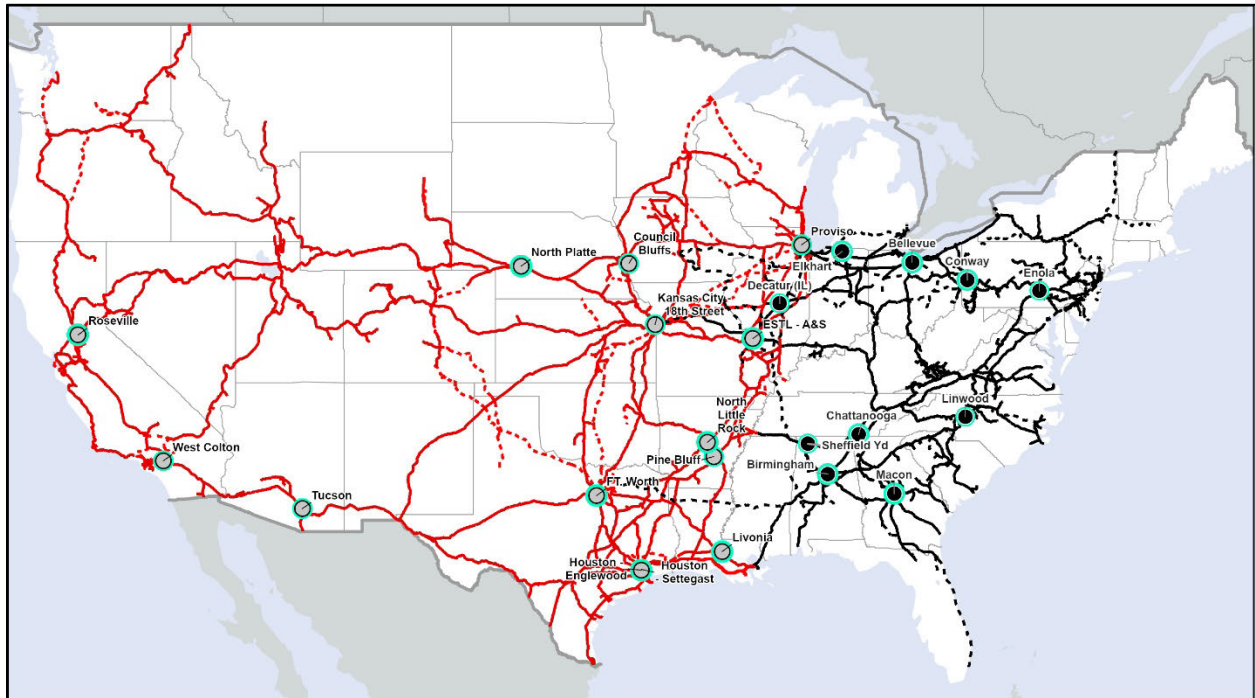
Table 21²⁴⁵
Principal Classification Yards

UP Yards	NS Yards
North Little Rock, AR	Elkhart, IN
Englewood (Houston), TX	Moorman (Bellevue), OH
Gateway Yard (St Louis), IL	DeButts (Chattanooga), TN
Livonia, LA	Birmingham, AL
Ft. Worth, TX	Conway, PA
North Platte East, NE	Brosnan (Macon), GA
North Platte West, NE	Decatur (Incl. East Decatur), IL
Roseville, CA	Enola (Harrisburg), PA
Settegast (Houston), TX	Sheffield, AL
West Colton (Los Angeles), CA	Linwood, NC
Proviso (Chicago), IL	
Council Bluffs, IA	
18th St (Kansas City), KS	
Tucson, AZ	
Pine Bluff, AR	

546. Applicants show the locations of their principal classification yards for benchmarking purposes below in Figure 21. The principal classification yards for benchmarking purposes were chosen using a threshold of more than 800 cars processed per day, with additional yards added to ensure all UP to NS gateways had a nearby terminal reported.

²⁴⁵ See Workpaper “Consolidated Terminal Data.xlsx,” Tab “D.1.c Principal Class Yards.”

Figure 21: Principal Classification Yards



547. Applicants applied a uniformly constructed measure of terminal dwell time to data from both UP and NS. Specifically, they measured the average number of hours a car resides at the specified terminal location. The time a car resides at a location begins with train arrival, customer release, or interchange received, and ends with train departure, customer placement (actual or constructive), or interchange offering or delivery. Applicants' terminal dwell calculation excludes runthrough and bypass trains, maintenance of way cars, stored cars, and time spent in bad order status. Applicants will be able to use the same measure for historic and post-transaction operations.²⁴⁶

²⁴⁶ See Workpaper "System and Terminal Measures Documentation - UP.pdf"; Workpaper "System and Terminal Measures Documentation - NS.pdf."

548. Applicants also applied a uniformly constructed measure of on-time originations to data from both UP and NS. Specifically, they measured whether scheduled trains originating at a particular yard departed on time, where “on time” was measured as departing on time or early.²⁴⁷ Applicants will be able to use the same measure for historic and post-transaction operations.

549. Applicants are providing a matrix structure with historic monthly benchmark data for terminal dwell times and on time originations for their principal classification yards in Electronic Appendix V.²⁴⁸

2. Major Intermodal Terminals

550. Applicants list their major intermodal terminals for benchmarking purposes below in Table 22.

²⁴⁷ See Workpaper “System and Terminal Measures Documentation - UP.pdf”; Workpaper “System and Terminal Measures Documentation - NS.pdf.”

²⁴⁸ See Workpaper “System, Yard, and Terminal Benchmarking Matrix.xlsx,” Tab “Yard and Terminal Matrix.”

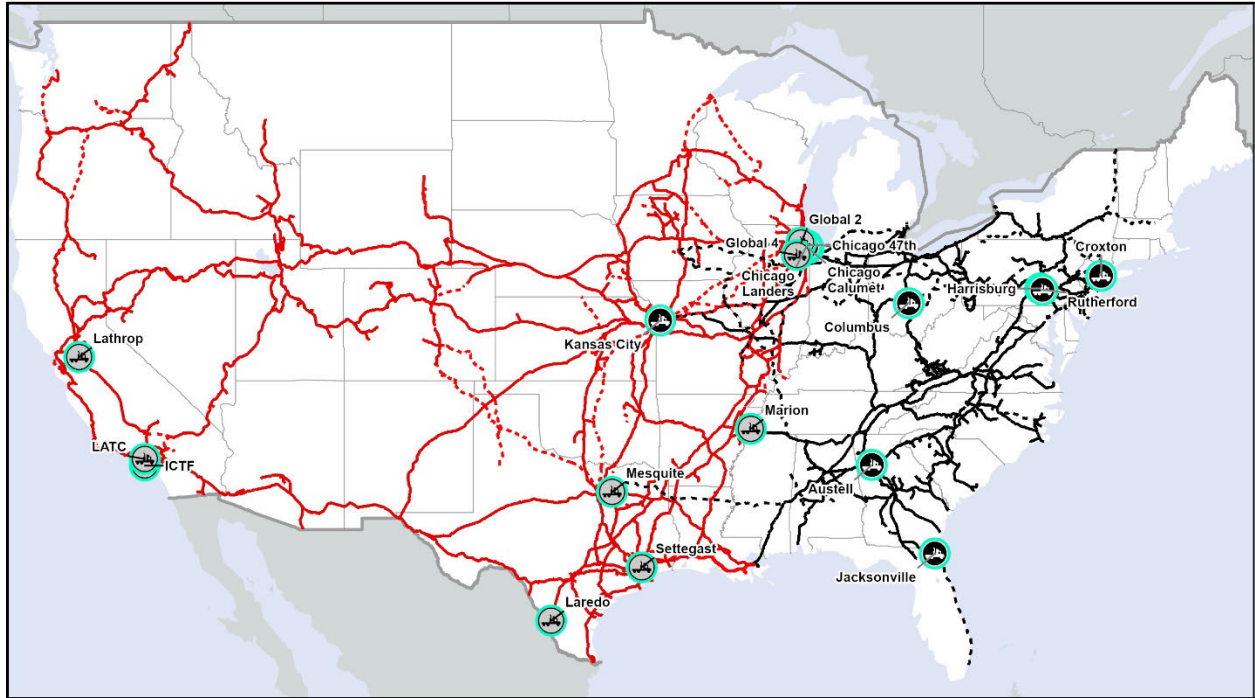
Table 22²⁴⁹
Major Intermodal Terminals

UP Intermodal Terminals	Base Plan Lifts/Day	NS Intermodal Terminals	Base Plan Lifts/Day
Global 4 (Chicago), IL	1,945	47th St (Chicago), IL	1,269
Global 2 (Chicago), IL	1,381	Austell (Atlanta), GA	1,237
East Los Angeles, CA	1,065	Harrisburg, PA	953
Mesquite (Dallas), TX	821	Calumet (Chicago), IL	928
ICTF (Los Angeles), CA	817	Landers (Chicago), IL	876
Lathrop, CA	745	Croxtton (New York City), NJ	839
Marion (Memphis), AR	654	Rutherford (Harrisburg), PA	770
Port Laredo, TX	299	Rickenbacker (Columbus), OH	701
Settegast (Houston), TX	293	Voltz (Kansas City), MO	646
		Jacksonville, FL	640

551. Applicants show the locations of their principal intermodal terminals for benchmarking purposes below in Figure 22. The major intermodal terminals for benchmarking purposes were chosen using a threshold of more than 800 lifts per day. Additional intermodal terminals were added to capture terminals projected to experience meaningful growth as a result of the transaction (Lathrop, Port Laredo, Settegast, Jacksonville) and to ensure coverage of all major UP to NS gateways (Marion, Voltz).

²⁴⁹ See Workpaper “Consolidated Terminal Data.xlsx,” Tab “D.1.c Major Intermodal Terminal.”

Figure 22: Major Intermodal Terminals



552. Applicants applied a uniformly constructed measure of TA-VG (Terminal Arrival to Van Ground) time for intermodal terminals from both UP and NS. Specifically, they measured the average number of hours from when a container arrives at a terminal to being ready for customer pickup.²⁵⁰ Applicants will be able to use the same measure for historic and post-transaction operations.

553. Applicants also applied a uniformly constructed measure of on time originations to data from both UP and NS. Specifically, they measured whether scheduled trains originating at a particular terminal departed on time, where “on

²⁵⁰ See Workpaper “System and Terminal Measures Documentation - UP.pdf”; Workpaper “System and Terminal Measures Documentation - NS.pdf.”

time” was measured as departing on time or early.²⁵¹ Applicants will be able to use the same measure for historic and post-transaction operations.

554. Applicants are providing a matrix structure with historic monthly benchmark data for terminal dwell times and on time originations for their principal classification yards in Electronic Appendix V.²⁵²

C. System Benchmarking

555. In accordance with 49 C.F.R. § 1180.10(k)(3), Applicants are providing system benchmarking data for cars on line, average train velocity by train type, and locomotive fleet size and applicable bad order ratios. Applicants are also providing benchmark data on passenger train performance for commuter and intercity passenger services.

1. Cars on Line

556. In accordance with 49 C.F.R. § 1180.10(k)(3)(i), in the original Application, Applicants provided data showing cars on line for UP and NS using the official AAR cars on line number calculated using Railinc data for the 36 monthly periods immediately preceding the filing date of the notice of intent to file the original Application (that is, July 2022 through June 2025). In this Amended Application, Applicants are providing data through December 2025. AAR’s cars on line measure uses the average daily inventory of all freight cars in the revenue fleet regardless of

²⁵¹ See Workpaper “System and Terminal Measures Documentation - UP.pdf”; Workpaper “System and Terminal Measures Documentation - NS.pdf.”

²⁵² See Workpaper “System, Yard, and Terminal Benchmarking Matrix.xlsx,” Tab “Yard and Terminal Matrix.”

location or status. The measure includes cars located on short line railroads, cars delivered to customer facilities, and stored cars. AAR's measure excludes maintenance of way cars and counts articulated cars as a single unit.²⁵³ Applicants are providing a matrix structure with historic monthly benchmark data in Electronic Appendix X.²⁵⁴

2. Average Train Velocity by Train Type

557. In accordance with 49 C.F.R. § 1180.10(k)(3)(ii), In the original Application, Applicants provided showing average train velocity, by train type, for UP and NS for the 36 monthly periods immediately preceding the filing date of the notice of intent to file the original Application (that is, July 2022 through June 2025). In this Amended Application, Applicants are providing data through December 2025. Applicants calculated train velocity by dividing train miles by total hours from origin to destination less intermediate terminal time. The calculations exclude yard, local, passenger, foreign, and maintenance of way trains.²⁵⁵ Applicants are providing a matrix structure with historic monthly benchmark data in Electronic Appendix X.²⁵⁶

²⁵³ See Workpaper "System and Terminal Measures Documentation - UP.pdf"; Workpaper "System and Terminal Measures Documentation - NS.pdf."

²⁵⁴ See Workpaper "System, Yard, and Terminal Benchmarking Matrix.xlsx," Tab "System Matrix," Rows 16 and 27.

²⁵⁵ See Workpaper "System and Terminal Measures Documentation - UP.pdf"; Workpaper "System and Terminal Measures Documentation - NS.pdf."

²⁵⁶ See Workpaper "System, Yard, and Terminal Benchmarking Matrix.xlsx," Tab "System Matrix," Rows 17 to 24 and Rows 28 to 35.

3. Locomotive Fleet Size and Applicable Bad Order Ratios

558. In accordance with 49 C.F.R. § 1180.10(k)(3)(iii), In the original Application, Applicants provided data showing locomotive fleet size and applicable bad order ratios for the 36 monthly periods immediately preceding the filing date of the notice of intent to file the original Application (that is, July 2022 through June 2025). In this Amended Application, Applicants are providing data through December 2025. Applicants calculate locomotive fleet size as the number of high horsepower and low horsepower locomotives not in storage and in service. Applicants calculate the applicable bad order ratio as the number of locomotives in bad order status (in shop, en route to shop, and past inspection) compared to the number of active locomotives.²⁵⁷ Applicants are providing a matrix structure with historic monthly benchmark data in Electronic Appendix X.²⁵⁸

4. System Benchmarking for Passenger Services

559. In accordance with 49 C.F.R. § 1180.10(k)(3)(iv), in the original Application, Applicants provided benchmarking data for passenger services, where available, for the 36 monthly periods immediately preceding the filing date of the notice of intent to file the original Application (that is, July 2022 through June 2025). In this Amended Application, Applicants are providing data through December 2025, where available. Applicants provide the data in Electronic Appendix Y. Due to the

²⁵⁷ See Workpaper “System and Terminal Measures Documentation - UP.pdf”; Workpaper “System and Terminal Measures Documentation - NS.pdf.”

²⁵⁸ See Workpaper “System, Yard, and Terminal Benchmarking Matrix.xlsx,” Tab “System Matrix,” Rows 25 to 26 and Rows 36 to 37.

different nature of passenger performance data available by service, Applicants are providing multiple benchmarks, as discussed below.

a. Amtrak Passenger Services

560. For Amtrak passenger services, including state-sponsored intercity passenger services operated by Amtrak, Applicants are providing historic benchmarking data based on FRA’s COTP metric. FRA’s definition of on-time performance is not necessarily the same as the on-time performance obligations that Applicants have separately negotiated pursuant to contracts they have entered with Amtrak under 49 U.S.C. § 24308(a), and which are discussed above in Part X of this Service Assurance Plan.

561. When FRA adopted COTP, it recognized that Amtrak’s published train schedules had not been designed with the COTP metric in mind.²⁵⁹ Thus, COTP can be misleading. Despite these limitations, COTP data is already tracked by and available to both UP and NS for each Amtrak service and thus is the most sensible system-wide data to utilize for purposes of comparing Amtrak-related passenger service pre- and post-merger on a service-by-service basis.

562. Applicants have contractual performance agreements with Amtrak, and the reporting of COTP data should not be construed as creating a new or separate performance obligation. Rather, the COTP data provides historical context for these services and allows for benchmarking pursuant to § 1180.10(k)(3)(iv). The tables

²⁵⁹ Metrics and Minimum Standards for Intercity Passenger Rail Service, 85 Fed. Reg. 72,971, 72,979 (Nov. 16, 2020).

below show the July 2022 through December 2025 COTP range and COTP average and notes whether each service is certified or not. Underlying data is provided in the workpapers.

Table 23²⁶⁰
Amtrak Services on UP Lines

Amtrak Service	COTP Range	COTP Average*	Schedules Certified
California Zephyr	5.0% to 76.4%	43.1%	No
Capitol Corridor	73.0% to 93.9%	87.2%	Yes
Cascades	44.8% to 78.7%	61.9%	Yes
Coast Starlight	37.0% to 72.1%	57.1%	Yes
Gold Runner**	34.8% to 84.0%	68.3%	Yes
Lincoln (Illinois)	50.8% to 84.0%	70.0%	Yes
Lincoln/Missouri	23.0% to 79.0%	53.7%	Yes
Missouri River Runner	14.0% to 97.1%	71.1%	Yes
Pacific Surfliner	70.0% to 90.5%	82.4%	Yes
Sunset Limited	5.0% to 78.6%	50.5%	No
Texas Eagle	28.0% to 82.0%	53.5%	No

*July 2022 to December 2025

**Previously known as the San Joaquins

²⁶⁰ See Workpaper “UP Passenger Benchmarking.xlsx,” Tab “Amtrak.”

Table 24²⁶¹
Amtrak Services on NS Lines

Amtrak Service	COTP Range	COTP Average*	Schedules Certified
Blue Water	47.6% to 93.2%	69.8%	No
Capitol Ltd.	23.8% to 84.1%	66.2%	No
Cardinal	28.4% to 66.9%	53.7%	No
Carolinian	23.9% to 79.6%	58.6%	Yes
Crescent	33.8% to 83.9%	64.8%	Yes
Floridian**	9.2% to 48.8%**	31.1%**	No
Lake Shore Ltd.	37.6% to 88.5%	72.1%	No
Mardi Gras***	83.4% to 92.2%***	87.4%***	No
Pennsylvanian	53.2% to 92.7%	75.1%	Yes
Pere Marquette	70.1% to 96.1%	85.8%	No
Piedmont	52.7% to 90.2%	73.1%	Partially
Roanoke	50.7% to 84.6%	71.6%	Yes
Richmond/Newport News/Norfolk	51.3% to 86.8%	70.2%	Yes
Silver Star	12.5% to 60.6%	42.1%	No
Wolverine	41.8% to 84.1%	67.7%	No

*July 2022 to December 2025

**The Floridian is a service that began November 2024 combining the Capitol Limited and Silver Star services, which are temporarily discontinued. Applicants are providing COTP data for the current service rather than discontinued services.

***The Mardi Gras service commenced in August 2025, outside of the 36-month benchmarking period as calculated from the notice of intent. COTP data for this service is provided for the period between August 2025 and December 2025.

b. Other Passenger Services

563. Applicants are providing performance data, as available, for each commuter and other passenger service, as discussed below.²⁶²

²⁶¹ See Workpaper “NS Passenger Benchmarking.xlsx,” Tab “Amtrak.”

²⁶² UP does not receive monthly performance data for the Rocky Mountaineer or Caltrain in the normal course of business. UP receives some information annually relating to delay minutes from Rocky Mountaineer and has access to non-UP specific

564. As with reported COTP data, the reported data for passenger services other than Amtrak services allows a comparison of passenger service against a historic benchmark as required by § 1180.10(k)(3)(iv) and should not be construed as creating a performance standard or obligation. Applicants note that the particular services below can vary significantly, including with respect to the number of freight trains that operate on the shared lines and the frequency of passenger services provided.

i. Metrolink (UP)

565. UP does not have a performance standard under its agreements with Metrolink, but Metrolink provides UP a daily train-by-train performance report. In response to a request by UP, Metrolink provided UP with 37 months of performance data. Metrolink measures whether trains arrive within 5 minutes of their scheduled arrival times. For the 37 months of benchmarking data provided by Metrolink, UP's on-time performance ranged from 72.2 percent to 99.0 percent, with an average of 91.3 percent.²⁶³

ii. ACE (UP)

566. UP {{
under its agreement with ACE, {{

data from Caltrain's website, though neither would allow for benchmarking performance for these services.

²⁶³ See Workpaper "UP Passenger Benchmarking.xlsx," Tab "Metrolink." As of the date of this Application, Metrolink has not been able to provide data between January 2023 and May 2023 due to technical issues.

}} In response to a request by UP, ACE provided UP with historic performance data. On-time performance is measured based on {{
 }} For the benchmarking period, UP’s on-time performance ranged from 91.1 percent to 100 percent, with an average of 98.1 percent.²⁶⁴

iii. Metra (UP and NS)

567. Metra operates over both UP and NS lines and provides performance information to both UP and NS, though in different forms and frequencies. Metra also posts on-time performance reports on its website on a line-by-line basis.²⁶⁵ Metra considers a train to be on time if it reaches its final destination within five minutes of its scheduled arrival, with its reporting standards filtering out some of the delays that are beyond a railroad’s control.²⁶⁶

568. To compile historic performance data for the Metra services that operate over UP’s lines, UP used Metra’s publicly available on-time performance reports for July 2022 through November 2022 and internal monthly reports provided by Metra for December 2022 through December 2025. For the benchmarking period, for all

²⁶⁴ See Workpaper “UP Passenger Benchmarking.xlsx,” Tab “ACE.”

²⁶⁵ See Metra, Ridership and On-Time Performance, <https://www.metra.com/ridership-and-on-time-performance> (“On-Time Performance Reports”) (last visited Apr. 28, 2026).

²⁶⁶ See Metra, Ridership and On-Time Performance, <https://www.metra.com/ridership-and-on-time-performance> (“How We Measure Delays”) (last visited Apr. 28, 2026).

three UP lines over which Metra operates, on-time performance ranged from 81.0 percent to 97.7 percent, with an average of 92.8 percent.²⁶⁷

569. NS compiled historic performance data from Metra’s publicly available on-time performance reports. For the - benchmarking period for Metra’s SWS service on NS’s Manhattan Sub, on-time performance ranged from 86.0 percent to 96.8 percent, with an average of 91.5 percent.²⁶⁸

iv. VRE (NS)

570. For VRE’s operations over NS’s lines, NS is not subject to any contractual performance standards. VRE provides information about on-time performance on its website,²⁶⁹ which NS used to compile performance data for the Manassas line. The monthly data measures performance based on the number of trains that arrive at their last scheduled stop within six minutes of schedule. The data does not differentiate between host-responsible delays and other reasons for delays. For the -benchmarking period, on-time performance for VRE’s operations over NS’s Manassas line ranged from 59.0 percent to 88.0 percent, with an average of 79.7 percent.²⁷⁰

²⁶⁷ See Workpaper “UP Passenger Benchmarking.xlsx,” Tab “Metra.”

²⁶⁸ See Workpaper “NS Passenger Benchmarking.xlsx,” Tab “Metra.” Data for March 2025 was not available on Metra’s website (<https://www.metra.com/ridership-and-on-time-performance>) and thus is not included in the calculations.

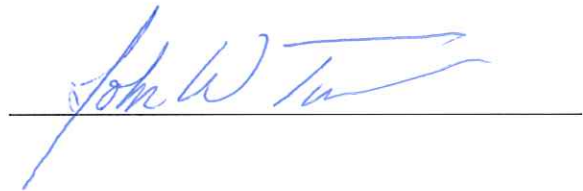
²⁶⁹ See VRE, *Reports*, <https://www.vre.org/about/reports/> (“CEO Reports”) (last visited Apr. 28, 2025).

²⁷⁰ See Workpaper “NS Passenger Benchmarking.xlsx,” Tab “VRE.”

VERIFICATION

I, John W. Turner, declare under penalty of perjury that the foregoing is true and correct. Further, I certify that I am qualified and authorized to file this statement.

Executed this 29th day of April, 2026.



APPENDIX A
CONTINGENCY PLANS

Appendix A – Contingency Plans

Contingency Plan for Chicago

I. Yards/Terminals

A. Manifest

1. Proviso
2. Yard Center
3. Intermediate Carriers (BRC/IHB)

B. Intermodal

1. Global 2
2. Global 4
3. Yard Center (Idled)
4. 47th St.
5. 63rd St. (Idled)
6. Landers

C. Mixed

1. Global 3
2. Ashland Ave
3. Calumet
4. Colehour (block swap)

D. Post-Merger Facilities with Additional Capacity

1. Yard Center (Intermodal – consolidating into 47th)
2. 63rd St. (Intermodal – consolidating into G2)

II. Buffer Resources

A. Yard/Terminal Substitutes

1. Manifest Capacity
 - a) Utilize freed capacity from the former intermodal operations at Yard Center and 63rd Street.
 - b) Alternate switch at UP/NS locations, including all terminals in the Chicago complex, Elkhart, Indiana, and Butler, Wisconsin.

- c) Leverage the IHB – Put cars into the IHB to switch (NS has partial ownership and can pay a rate to utilize their capacity and UP/NS could do the same).
 - d) Leverage the BRC – Put cars into the BRC to switch (UP has ownership and an allotment of capacity).
 - 2. Intermodal Capacity
 - a) Utilize freed capacity from the former intermodal operations at Yard Center and 63rd Street.
 - b) Utilize excess intermodal capacity at Global 3.
 - c) Utilize idle intermodal capacity at Global 1.
 - 3. Automotive Capacity
 - a) Leverage the IHB – Put cars into the IHB to switch (pay a rate to utilize their capacity).
 - b) Utilize idle automotive ramp capacity at Chicago Heights.
- B. Crew Base Information
 - 1. Crew base used: UP/NS would be able to negotiate a crew responsibility area through the collective bargaining process.
 - 2. Next closest crew base: Utilize existing borrow-out strategy to fill additional labor needs.
- C. Locomotive Information
 - 1. UP/NS will maintain a fleet of 20 ATR locomotives at yards and terminals in the Chicago Gateway that can be deployed to assist with traffic surges and congestion.
 - 2. Next closest locations with ATR locomotives: Additional ATR locomotives at North Platte and North Little Rock can be deployed to the Chicago Gateway within 1–2 days to meet additional locomotive needs.
- D. Car Inventory Reduction Management
 - 1. Excess cars will be stored in the first instance at terminals and mainlines adjacent to the Chicago Gateway likely to have excess capacity. Examples include facilities at Janesville, Belvedere, and the Peoria subdivision.
 - 2. Next closest location with car storage capacity cars: Additional locations outside the Chicago Gateway, including the Great Lakes service unit and the Mid-America service unit.

III. Monitoring Trigger(s) (as applicable)

- A. Pre-merger dwell time benchmark/trigger

IV. Regional/Service Unit/Local Management

- A. General Manager – Chicago Service Unit
- B. Superintendent – Chicago Metro
- C. Sr. Director Chicago and Great Lakes – Train Management (Harriman Dispatch Center)

Contingency Plan for St. Louis

I. Yards/Terminals

A. Manifest

1. Alton & Southern's Gateway Yard
2. TRRA's Madison Yard
3. Granite City

B. Mixed

1. Luther (Manifest & Intermodal) – Manifest switching consolidated at A&S's Gateway Yard.
2. Dupo (Manifest & Intermodal)

C. Automotive

1. Wentzville
2. Centreville

D. Post-Merger Facilities with Additional Capacity

1. Luther Yard (Manifest)

II. Buffer Resources

A. Yard/Terminal Substitutes

1. Manifest Capacity
 - a) Utilize manifest capacity at Dupo Yard.
 - b) Leverage freed up manifest capacity at Luther Yard.
2. Intermodal Capacity
 - a) Dupo and Luther Intermodal facilities have excess surge capability.

B. Crew Base Information

1. Crew base used: UP/NS will be able to negotiate a crew responsibility area through the collective bargaining process.
2. Next closest crew base: Utilize existing borrow-out strategy to fill additional labor needs.

C. Locomotive Information

1. UP/NS will maintain a fleet of 15 ATR locomotives at yards and terminals in the St. Louis Gateway that can be deployed to assist with traffic surges and congestion.
2. Next closest location with ATR locomotives: North Little Rock (1 day), Chicago (1 day), and North Platte (2 days).

D. Car Inventory Reduction

1. UP/NS will store excess cars in the first instance at terminals and mainlines adjacent to the St. Louis Gateway likely to have excess capacity. These include Luther, Sparta Sub, Pinckneyville sub.

III. Monitoring Trigger(s) (as Applicable)

- A. Pre-merger dwell time benchmark/trigger

IV. Regional/Service Unit/Local Management

- A. General Manager – MidAmerica Service Unit
- B. Superintendent – St Louis District
- C. Sr. Director MidAmerica – Train Management (Harriman Dispatch Center)

Contingency Plan for Kansas City

I. Yards/Terminals

- A. Manifest
 - 1. 18th St.
 - 2. Neff Yard
 - 3. North Kansas City (Idled)
 - 4. Fairfax
- B. Intermodal
 - 1. Kansas City Intermodal Terminal
- C. Mixed
 - 1. Voltz (Intermodal and Auto)
- D. Automotive
 - 1. Muncie (Idled)
- E. Post-Merger Facilities with Available Capacity
 - 1. North Kansas City (Manifest) consolidated into 18th St.
 - 2. Muncie (Auto) consolidated into Voltz.

II. Buffer Resources

- A. Yard/Terminal Substitutes
 - 1. Manifest Capacity
 - a) Neff
 - b) Utilize freed capacity from the former North Kansas City.
 - c) North Platte
 - 2. Intermodal Capacity
 - a) Utilize excess capacity at Voltz and or Kansas City Intermodal Terminal.
 - 3. Automotive
 - a) Reopen Muncie.
- B. Crew Base Information
 - 1. Crew base used: Protected by a single source of supply from a pool and/or extra board.

2. Next closest crew base: Utilize existing borrow-out strategy to fill additional labor needs. To use additional sources of supply, UP/NS must negotiate additional crew responsibility area through the collective bargaining process.

C. Locomotive Information

1. UP/NS will maintain a fleet of 10 ATR locomotives at yards and terminals in the Kansas City Gateway that can be deployed to assist with traffic surges and congestion.
2. Next closest location with ATR locomotives: North Platte (less than 1 day), North Little Rock (1–2 days).

D. Car Inventory Reduction Management

1. UP/NS will store excess cars in the first instance at terminals and mainlines adjacent to the Kansas City Gateway likely to have excess capacity. Examples include facilities at Neff and North Kansas City.
2. Next closest location with car storage capacity: Additional locations outside the Kansas City Gateway, including the mainline sidings on the River Subdivision and Moberly, Missouri.

III. Monitoring Trigger(s) (as Applicable)

- A. Pre-merger dwell time benchmark/trigger

IV. Regional/Service Unit/Local Management

- A. General Manager – Heartland Service Unit
- B. Superintendent – Kansas City Metro District
- C. Sr. Director Heartland – Train Management (Harriman Dispatch Center)

Contingency Plan for Memphis

I. Yards/Terminals

- A. Manifest
 - 1. Sargeant Yard
- B. Intermodal
 - 1. Marion
 - 2. Rossville
- C. Mixed
 - 1. None
- D. Automotive
 - 1. Gavin
- E. Post-Merger Facilities with Additional Capacity
 - 1. Rossville (Intermodal)

II. Buffer Resources

- A. Yard/Terminal Substitutes
 - 1. Manifest Capacity
 - a) North Little Rock
 - b) Sheffield
 - c) Chattanooga
 - d) Pine Bluff
 - 2. Intermodal Capacity
 - a) Rossville Intermodal
 - 3. Automotives
 - a) Reisor, Louisiana
- B. Crew Base Information
 - 1. Crew base used: UP/NS will be able to negotiate a crew responsibility area through the collective bargaining process.
 - 2. Next closest crew base: Utilize existing borrow-out strategy to fill additional labor needs.

C. Locomotive Information

1. UP/NS will maintain a fleet of 20 ATR locomotives at North Little Rock, 5 ATR locomotives at Marion, and 5 ATR locomotives at Pine Bluff that can be deployed to assist with traffic surges and congestion.
2. Next closest location with ATR locomotives: Englewood (1–2 days)

D. Car Inventory Reduction Management

1. UP/NS will store excess cars in the first instance at terminals and mainlines adjacent to the Memphis complex. Examples include the idled Roseville Intermodal terminal.
2. Sidings of directional mainlines on the Mid-America Service Unit

III. Monitoring Trigger(s) (as Applicable)

- A. Pre-merger dwell time benchmark/trigger

IV. Regional/Service Unit/Local Management

- A. General Manager – MidAmerica Service Unit
- B. Superintendent – Road District
- C. Sr. Director MidAmerica – Train Management (Harriman Dispatch Center)

Contingency Plan for New Orleans

I. Yards/Terminals

- A. Manifest
 - 1. Avondale
 - 2. Oliver (Idled)
- B. Intermodal
 - 1. None
- C. Mixed
 - 1. None
- D. Automotive
 - 1. None
- E. Post-Merger Facilities with Capacity
 - 1. Oliver Yard (going into Avondale Yard)

II. Buffer Resources

- A. Yard/Terminal Substitutes
 - 1. Manifest Capacity
 - a) Utilize freed capacity at Oliver Yard.
 - b) Livonia
 - c) Birmingham
 - d) Addis, Louisiana
 - e) Alexandria, Louisiana
 - 2. Intermodal Capacity
 - a) Not applicable
 - 3. Automotives
 - a) Not applicable
- B. Crew Base Information
 - 1. Crew base used: UP/NS will be able to negotiate a crew responsibility area through the collective bargaining process.
 - 2. Next closest crew base: Utilize existing borrow-out strategy to fill additional labor needs.

C. Locomotive Information

1. UP/NS will maintain a fleet of 10 ATR locomotives in the New Orleans Gateway and 15 ATR locomotives at Livonia that can be deployed to assist with traffic surges and congestion. Additionally, UP/NS will maintain 5 ATR locomotives in Shreveport to ensure fluidity over the Meridian Speedway.
2. Next closest location with ATR locomotives: North Little Rock/Pine Bluff (1 day), Englewood (1 day).

D. Car Inventory Reduction Management

1. UP/NS will store excess cars in the first instance at terminals and mainlines adjacent to the New Orleans complex. Examples include Oliver Yard.

III. Monitoring Trigger(s) (as Applicable)

- A. Pre-merger dwell time benchmark/trigger

IV. Regional/Service Unit/Local Management

- A. General Manager – Gulf Coast Service Unit
- B. Superintendent – East District
- C. Sr. Director Gulf Coast – Train Management (Harriman Dispatch Center)

Contingency Plan for Chattanooga

I. Yards/Terminals

- A. Manifest
 - 1. Chattanooga
- B. Intermodal
 - 1. None
- C. Mixed
 - 1. None
- D. Post-Merger Idle Facilities
 - 1. None

II. Buffer Resources

- A. Yard/Terminal Substitutes
 - 1. Manifest Capacity
 - a) Elkhart – Bypass Georgia/Florida traffic to Macon.
 - b) Macon – Utilize latent capacity to bypass Chattanooga to North Little Rock and to Louisville.
 - c) Bellevue – Utilize blocking capacity to drive Birmingham traffic from Detroit/Columbus past Chattanooga.
 - 2. Intermodal Capacity
 - a) N/A
 - 3. Automotive Capacity
 - a) N/A
- B. Crew Base Information
 - 1. Crew base used: Applicants can negotiate crew responsibility area through the collective bargaining process.
 - 2. Next closest crew base: Utilize existing borrow-out strategy to fill additional labor needs.
- C. Locomotive Information
 - 1. Applicants will maintain a fleet of three ATR locomotives at Chattanooga, supported by the Chattanooga Diesel Shop. These

locomotives can be deployed to assist with traffic surges and congestion.

2. Next closest location with ATR locomotives: Birmingham, Alabama.

D. Car Inventory Reduction Management

1. Excess cars will be stored in the first instance at terminals and mainlines adjacent to the Chattanooga yard likely to have excess capacity. Examples include facilities at Tyner, Georgia, and Knoxville, Tennessee.

III. Monitoring Trigger(s) (as Applicable)

- A. Pre-merger dwell time benchmark/trigger

IV. Regional/Service Unit/Local Management

- A. Regional General Manager – Southern Region
- B. Superintendent – Gulf Division
- C. Assistant Superintendent – Chattanooga
- D. General Superintendent Transportation (Network Operations Center)

Contingency Plan for Mainline Route: Kansas City—Sidney—Butler

I. Line Segment:

- A. Kansas City to Moberly (Missouri)
- B. Moberly to Decatur, Illinois
- C. Decatur to Peru, Indiana
- D. Peru to Butler, Indiana

II. Buffer Resources

A. Alternate Main Lines

- 1. If issues occur at Kansas City, traffic for Sidney can be routed to St. Louis and from there to Springfield, and then Sidney.
- 2. For any disruption between Moberly and Butler, traffic can be routed via the W line from Kansas City towards Danville, Kentucky. From Danville, traffic can be routed either north or south over the Cincinnati, New Orleans and Texas Pacific Railway.
- 3. For any disruption between Moberly and Kansas City, traffic can be routed from Kansas City to St. Louis on the UP Jefferson City Subdivision, and then enter the legacy NS network at St. Louis.
- 4. For disruptions between Sidney and Butler, there are two alternate routes to direct trains to Chicago: utilize the legacy UP line from Sidney to Chicago, or utilize the legacy UP line from Springfield to Chicago.

B. Alternate Terminals

- 1. Utilize yards in St. Louis (A&S, Luther) as an alternative to Decatur.

C. Crew Base Information

- 1. Crew base: UP/NS will be able to negotiate a crew responsibility area through the collective bargaining process.
- 2. Next closest crew base: Utilize existing borrow-out strategy to fill additional labor needs.

D. Locomotive Information

- 1. Closest location with ATR locomotives: Major yards along the line, including Kansas City/Voltz, St. Louis, and Decatur maintain stores of buffer locomotives.

- E. Car Storage
 - 1. Decatur

III. Monitoring Trigger(s) (as Applicable)

- A. 18th Street (Kansas City) dwell time (manifest)
- B. Decatur (including East Decatur) dwell time (manifest)
- C. Voltz (Kansas City) dwell time (intermodal)

IV. Regional/Service Unit/Local Management

- A. General Manager – Heartland Service Unit
- B. Superintendent – Kansas City Metro District
- C. Sr. Director Heartland – Train Management (Harriman Dispatch Center)

V. Additional Notes Regarding Potential Recovery Actions

- A. CN operates out of Decatur. CSX operates out of Decatur and St. Louis.

Contingency Plan for Mainline Route: New Orleans-Birmingham

I. Line Segment:

- A. New Orleans to Meridian (NO&NE)
- B. Meridian to Birmingham (AGS South)

II. Buffer Resources

- A. Alternate main lines
 - 1. If issues arise on the route from New Orleans to Birmingham, traffic can be diverted via the Memphis Gateway.
 - 2. Traffic can be blocked to allow for separation of Chattanooga and Birmingham traffic at Sheffield, Alabama.
 - 3. Traffic bound for Chattanooga can transit the Memphis East to Chattanooga.
 - 4. Traffic bound for Birmingham can operate down the NA West from Sheffield to Birmingham.
- B. Alternate Terminals
 - 1. Utilize Oliver Yard for staging.
- C. Crew Base Information
 - 1. Crew base: Applicants can negotiate crew responsibility area through the collective bargaining process.
 - 2. Next closest crew base: Utilize existing borrow-out strategy to fill additional labor needs.
- D. Locomotive Information
 - 1. Closest location with ATR locomotives: Birmingham, Alabama, and Chattanooga, Tennessee.
- E. Car Storage
 - 1. Oliver Yard (New Orleans, Louisiana)
 - 2. Sheffield, Alabama

III. Monitoring Trigger(s) (as applicable)

- A. Birmingham dwell time (manifest)

IV. Regional/Service Unit/Local Management

- A. General Manager – Southern Region
- B. Superintendent – Gulf Division
- C. Assistant Superintendent – Birmingham
- D. General Superintendent Transportation (Network Operations Center)

V. Additional Notes Regarding Potential Recovery Actions

- A. N/A

Contingency Plan for Mainline Route: Meridian-Atlanta

I. Line Segment:

- A. Birmingham to Atlanta (East End)

II. Buffer Resources

A. Alternate Main Lines

1. If issues arise on the route from Meridian to Atlanta, traffic can be diverted via the Memphis Gateway.
2. Traffic needing to get past Birmingham towards Atlanta can route via Chattanooga down the Georgia North End to Atlanta.
3. Detoured traffic can be handled at Sheffield, Alabama, and/or Chattanooga, Tennessee, to process traffic for final destination.

B. Alternate Terminals

1. Sheffield, Alabama
2. Chattanooga, Tennessee

C. Crew Base Information

1. Crew base: Applicants can negotiate crew responsibility area through the collective bargaining process.
2. Next closest crew base: Utilize existing borrow-out strategy to fill additional labor needs.

D. Locomotive Information

1. Closest location with ATR locomotives: Chattanooga, Tennessee

E. Car Storage

1. Knoxville, Tennessee
2. Sheffield, Alabama

III. Monitoring Trigger(s) (as Applicable)

- A. Birmingham dwell time (manifest)
- B. Austell (Atlanta) dwell time (intermodal)

IV. Regional/Service Unit/Local Management

- A. General Manager – Southern Region
- B. Superintendent – Gulf Division

- C. Assistant Superintendent – Birmingham
- D. General Superintendent Transportation (Network Operations Center)

V. Additional Notes Regarding Potential Recovery Actions

- A. N/A

APPENDIX B

**ALTERNATIVE DISPUTE
RESOLUTION PROGRAM**

Appendix B – Alternative Dispute Resolution Program

Alternative Dispute Resolution Agreement

A Three-Year Program for Merger-Related Service Arbitration via JAMS

Introduction

This Alternative Dispute Resolution (“ADR”) program provides customers of the combined Union Pacific/Norfolk Southern with a voluntary, efficient means of resolving disputes concerning service during the service integration period. Surface Transportation Board rules and regulations require Union Pacific and Norfolk Southern to provide a protocol for handling claims related to failure to provide reasonable service due to merger implementation problems, and the Board has stated that commitments to submit all such claims to arbitration will be favored. *See* 49 C.F.R. § 1180.1(h)(5).

This program is designed to offer a streamlined process outside of formal regulatory proceedings and to satisfy the protocol requirements in § 1180.1(h)(5). Participation in this program is optional, and customers may instead seek relief directly from the STB.

Definitions

For purposes of this Agreement, the following terms shall have the meanings set forth below:

1. “**Arbitrator**” means the neutral decision-maker appointed pursuant to Section 1 to administer and resolve disputes under this Agreement.
2. “**Carrier**” means the combined Union Pacific/Norfolk Southern rail carrier that is subject to the jurisdiction of the STB.
3. “**Customer**” means the shipper on the bill of lading who is responsible for paying the freight charges for the transportation service that is the subject of the Service Dispute and that elects to participate in this ADR program.
4. “**STB**” means the Surface Transportation Board.

5. “**Service Dispute**” means a dispute concerning whether the carrier has failed to provide reasonable service as a result of merger implementation problems.
6. “**Notice of Intent to Arbitrate**” means a written notice served by a Customer on both the Carrier and JAMS to commence arbitration under this Agreement.
7. “**JAMS**” means the company Judicial Arbitration and Mediation Services (“JAMS”). *See* www.jamsadr.com.

1. Initiation and Appointment

1.1 A Customer may commence arbitration by serving a Notice of Intent to Arbitrate upon both the Carrier and JAMS.

1.2 Within 21 calendar days of receipt, JAMS shall appoint the Arbitrator if the parties have not agreed upon one.

1.3 If the parties cannot agree, JAMS shall appoint a neutral former federal judge from the United States district courts or courts of appeal.

1.4 The Arbitrator shall convene an initial conference within 14 calendar days of appointment to establish the schedule and procedures.

2. Confidentiality and Discovery

2.1 All aspects of the arbitration proceedings, including all submissions, arbitrator rulings, and the arbitrator’s final decision, shall remain confidential.

2.2 The Arbitrator may order discovery of nonprivileged matters that is: (i) relevant to any claim or defense; and (ii) proportional to the needs of the case, considering the issues at stake, the amount in controversy, access to information, burdens of discovery, and cost–benefit balance.

3. Venue and Decision

3.1 Unless otherwise agreed by the parties, arbitration shall take place in the venue identified in the tariff that governs the transportation at issue. The parties may agree to conduct proceedings by videoconference.

3.2 The Arbitrator shall issue a reasoned written decision within 180 calendar days of the institution of the arbitration, unless the parties mutually agree to grant the Arbitrator additional time.

3.3 The decision shall be final, binding, and enforceable in any court of competent jurisdiction.

4. Right to Cure

4.1 To avoid unnecessary expenditure of time and costs, Carrier shall have the right to cure the alleged failure to provide reasonable service as a result of merger implementation problems (hereinafter referred to in this section as the “Service Issue”) according to the terms of this section.

4.2 Prior to commencing arbitration as set forth in Section 1, Customer shall provide Carrier with at least 30 days’ notice of Customer’s intent to commence arbitration under this Program and shall describe the Service Issue it intends to allege in sufficient detail so that Carrier has the opportunity to cure the alleged Service Issue.

4.3 During the notice period described in 4.1, Carrier shall have the opportunity to cure the alleged Service Issue prior to Customer commencing arbitration.

4.4 It shall be a complete defense to liability if Carrier cures the alleged Service Issue during the notice period described in 4.1 (which will be prior to Customer commencing arbitration).

5. Standard for Relief

5.1 The Arbitrator may determine whether the Carrier failed to provide reasonable service due to merger implementation problems during the statute of limitations period.

5.2. Customer must demonstrate that (a) it suffered a substantial deterioration in service that was not cured by the railroad prior to the commencement of arbitration, (b) that merger implementation was the proximate cause of that substantial deterioration in service, and (c) that the substantial deterioration in service caused direct damages to the customer.

6. Relief Limitations

6.1 This program applies only to non-exempt commodities shipped under tariff service (not contract service or exempt commodities, unless otherwise agreed).

6.2 The Arbitrator may not award injunctive or equitable relief.

6.3 Monetary relief is capped at \$2,000,000. The Customer may not subdivide larger claims into multiple proceedings to avoid monetary limits. All claims during the statute of limitations period must be filed in a single arbitration.

6.4 Damages are limited to those incurred within one year prior to the notice of intent to arbitrate.

6.5 Customer may seek relief for direct damages only, not indirect damages (*e.g.*, lost profits). All further limitations on relief as set forth in the Interstate Commerce Act or in the governing tariffs that apply to the transportation at issue also govern.

7. Appeal

7.1 An appeal of right may be taken to the STB within 20 days of the arbitration decision.

7.2 Appeals are limited to cases where: (i) the decision is inconsistent with sound principles of rail regulation economics; (ii) a clear abuse of arbitral authority or discretion occurred; or (iii) award limitations were violated.

7.3 If the STB vacates the decision, the parties shall notify JAMS, which shall appoint a new Arbitrator within 30 days following final judgment (including appeals).

8. Costs & Arbitration Fees

8.1 Each party shall bear its own costs and an equal share of arbitration fees and expenses.

9. Preservation of Rights

9.1 Participation in this ADR program is voluntary, and customers retain their full rights to bring disputes before the STB at any time.

10. Duration and Review

10.1 This ADR program shall remain in effect for three years from the effective date of STB approval of the Union Pacific-Norfolk Southern merger transaction.