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By E-Filing

March 10, 2026

Chief of Case Administration
Office of Chief Counsel
Surface Transportation Board
395 E. Street SW
Washington, DC 20423-0001

Re: STB Docket No. EP 788, Eliminating Regulatory Barriers to Competition: Review of Part 1144

Dear Chief of Case Administration:

On behalf of Union Pacific Railroad Company (“Union Pacific”), I respectfully submit these comments on the Surface Transportation Board’s Notice of Proposed Rulemaking in the referenced matter, served January 7, 2026 (the “NPRM”).

Union Pacific does not oppose the Board’s proposal to repeal 49 C.F.R Part 1144. Union Pacific supports competition and understands that shippers with longstanding service problems should have access to remedies that will improve their service. When imposing a remedy designed to address service problems by introducing another party into the process, the Board must ensure that the remedy demonstrably improves service, does not disrupt overall network fluidity or operational efficiency, and does not undermine the billions of dollars that Union Pacific and other railroads invest each year in the American rail network to improve service and safety.

The Board should finalize its proposal quickly to avoid creating a protracted period of uncertainty. The Board has been actively considering reforms in this area for nearly a decade. The case-by-case process should apply uniformly across the railroad industry.

To facilitate prompt action, the Board should refrain from attempting to codify detailed rules governing prescription proceedings. Union Pacific supports issuance of a “non-binding guidance document,” NPRM at 13 n.22, that, in addition to addressing basic procedural expectations, expressly acknowledges several critical considerations.

First, the Board should prescribe a reciprocal switching agreement only when doing so would demonstrably improve a shipper’s service product, as measured by transit time or some other agreed-upon, objective service-performance standard. Prescriptions should not be used to mandate new service arrangements that impair a railroad’s ability to serve existing shippers or undermine operational efficiency. Reciprocal switching necessarily introduces service delay and increases service costs as compared with direct service, so the case-specific evidence will matter.

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In addition, in evaluating the potential harms of mandated reciprocal switching, the Board should consider the cumulative effects of multiple prescriptions and provide a meaningful mechanism for prompt reconsideration or reopening of proceedings if experience shows that a prescription produces adverse service outcomes.

Second, where the Board does prescribe a reciprocal switching agreement, the affected railroads should be given the opportunity to negotiate appropriate compensation terms. If the railroads are unable to reach agreement within a reasonable period, any Board-established compensation must fully reflect the landlord railroad's actual cost of providing the service, including a fair return on capital investments required to support the service, in order to preserve incentives for continued capital investment. Ensuring adequate compensation is essential to sustaining the railroad network's ability to provide safe, reliable, efficient service to shippers over the long term as well as support additional investments for required to support customer growth. If compensation is not appropriately addressed, a prescription could have the troublesome and unintended result of causing non-participating shippers or carriers to cross-subsidize another's shipper's or carrier's reciprocal switching arrangement.

Third, to ensure proceedings involve actual controversies in which switching agreements are expected to demonstrably improve service and not create cascading harms, the Board should only prescribe a reciprocal switching agreement if it concludes that the complaining party would use the remedy to meet a significant portion of its transportation needs or move a significant amount of traffic.

Last, in establishing basic procedural expectations, the Board should make clear that any proceedings under the new case-by-case approach should be resolved based on a complete evidentiary record and without undue delay. The Board should ensure the record allows for a fully informed decision, while recognizing that protracted litigation increases costs for all participants and creates uncertainty that harms parties and the railroad industry as a whole.

Union Pacific appreciates the Board's careful consideration of these comments.

Sincerely,

A handwritten signature in blue ink, appearing to read "Michael L. Rosenthal".

Michael L. Rosenthal
*Attorney for Union Pacific
Railroad Company*