THE GREAT CONNECTION:
CREATING AMERICA'S FIRST TRANSCONTINENTAL RAILROAD

UNION PACIFIC AND NORFOLK SOUTHERN APPLICATION TO THE SURFACE TRANSPORTATION BOARD

EXECUTIVE SUMMARY

AMERICA NEEDS A TRANSCONTINENTAL RAILROAD

American businesses are the most competitive in the world. But for companies whose business depends on an efficient supply chain to obtain materials and ship products to market, the U.S. freight rail network has a built-in bottleneck: a mid-continent handoff between eastern and western railroads that adds time, cost and uncertainty. Many Americans may be surprised to learn the U.S. is one of the only developed nations in the world without a coast-to-coast railroad.

Union Pacific and Norfolk Southern are solving that problem. Merging the two railroads into a combined network serving 43 states will reduce the need for costly and time-consuming handoffs, replacing them with seamless, single-line service across tens of thousands of cross-country routes. The result will be faster, more reliable and cost-effective service that keeps America moving forward.

UNION PACIFIC AND NORFOLK SOUTHERN LEAD THE WAY

On Dec. 19, 2025, Union Pacific and Norfolk Southern filed a historic application with the Surface Transportation Board (STB) requesting approval to combine the two companies to create America's first transcontinental railroad. On Jan. 16, 2026, the STB requested additional analysis and information on certain aspects of the combination, while being clear it was making no judgment on the merits.

On April 30, 2026, the railroads submitted an amended application that was fully responsive to the STB's requests. The new analysis is the first in rail merger history to use 100% actual traffic data provided by all six North American Class I railroads, making it the most thorough assessment of market and operational impacts ever.

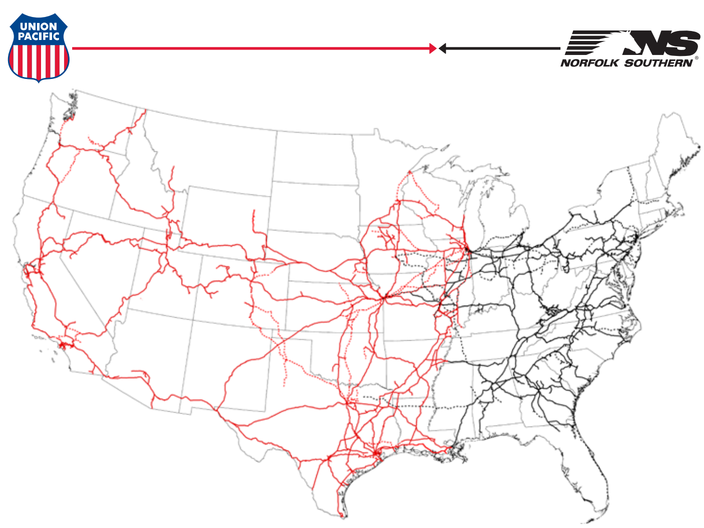
BENEFITS FOR AMERICA

Enhanced railroad competition. The Union Pacific-Norfolk Southern combination is a classic end-to-end merger with six connection points and minimal overlap. Today, each railroad serves a distinct geographic region with complementary networks, customers and markets.

Connecting the two systems will create a transcontinental network that bridges the gap between East and West, allowing freight to bypass congested interchanges and take the fastest and most efficient, price-competitive route. The result: substantial public benefits like expanded affordability; competitive options for customers in virtually every major corridor; and a stronger, more efficient national rail system.

Lower cost structure. Single-line, coast-to-coast service is more price efficient – a big win for U.S. businesses and consumers. According to a study by leading industry advisor Oliver Wyman, interline merchandise traffic moving between 1,000 and 1,500 miles costs on average 34% more than a comparable move that's single-line service.

The combined network will move freight more efficiently, eliminating an estimated 2,550 rail car and container handlings and 65,000 car-miles each day. An estimated 40% of the combined company's manifest routes will benefit from fewer handlings – moving America's goods faster across the country.



Connecting the Union Pacific and Norfolk Southern systems will create a transcontinental network that bridges the gap between East and West.

Stronger competition with trucking. A seamless transcontinental railroad will compete more aggressively with long-haul trucking, which dominates the market. According to Bureau of Transportation Statistics U.S. Ton-Miles data, rail market share declined 9.6% between 2014 to 2023.

Long-haul trucking offers flexibility, coast-to-coast coverage and operates on a seamless national network of roads funded by American taxpayers. Without structural reform and bold leadership, rail's position in the U.S. freight market will continue to erode – no matter how well individual railroads perform.

Savings for consumers. A coast-to-coast railroad is projected to take 2.1 million truckloads off the road. Shifting freight from higher-cost trucks to low-cost rail will save shippers an estimated $3.5 billion annually – savings expected to flow through to consumer prices, making American goods more affordable. Shippers also will save on inventory and equipment costs because of the combined railroad's faster, more reliable service.

Less congestion and wear on America's roadways. Shifting freight from road to rail reduces the burden on taxpayer-funded roadways. Interstate highways that could see significant reductions in trucks include I-10, I-40, I-44, I-70, I-78, I-80 and I-81.

Reducing crosstown handoffs that today move freight by truck will further reduce road congestion around major interchange cities. For example, the merger is expected to remove approximately 355 trucks from Chicagoland roads each day. Fewer trucks means safer roads – truck incident rates are 6.84 per 100 million gross ton miles, compared to only 0.45 for railroads.

An economic boost for America's heartland. The Union Pacific-Norfolk Southern combination will remove the artificial barrier that divides America's rail system between East and West, getting freight moving in the Watershed region. This previously underserved rail market – where trucking was often the only option because crossing the divide made rail too expensive and complicated due to handoffs between railroads – will have access to single-line manifest service for the first time.

Oliver Wyman estimates that 112,100 carloads of merchandise and bulk traffic will convert from road to rail when single-line service is available to the Watershed markets. Providing domestic shippers a cheaper alternative to truck will make them more competitive, which strengthens the entire U.S. economy.

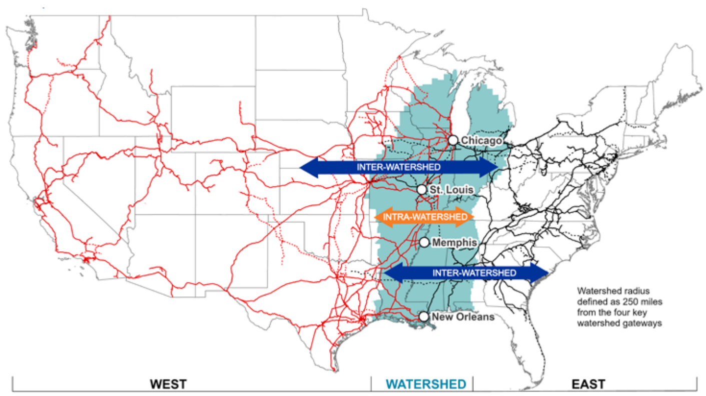
More direct and reliable access to global markets. The combined networks of Union Pacific and Norfolk Southern will make American businesses more competitive in global markets by offering single-line access to more than 100 ports connecting to global markets and 10 international gateways to markets in Canada and Mexico. A coast-to-coast railroad will provide unmatched flexibility and resilience for American businesses to respond to changing global markets, supply chain disruptions, weather events and more.

A stronger logistics network for national security. The merger strengthens the essential role of railroads in America's national security. The U.S. military relies on rail to move equipment and supplies between defense manufacturers, military bases and ports of embarkation. A seamless national rail network will improve transit times and reduce operational complexity when speed and reliability are critical.

Reduced emissions. The merger of Union Pacific and Norfolk Southern brings together two recognized leaders in sustainability, both named to USA Today's 2025 list of America's Climate Leaders. Rail is already the most sustainable way to move freight over ground, according to the Association of American Railroads, with up to 75% less carbon emissions than trucks. The combination will advance environmental stewardship in four main ways: reducing 3.8 million metric tons of carbon dioxide emissions annually by removing an estimated 2.1 million truckloads from the road each year; running trains more efficiently; investing in cleaner and more efficient technologies; and providing customers with better tools to achieve their own sustainability goals.

Dedicated support for passenger rail. Union Pacific and Norfolk Southern share a strong commitment to passenger rail. The combined company will maintain dedicated systems to support passenger rail operations, ensuring real-time coordination and responsiveness. A route-by-route analysis of projected post-merger volume growth verified there is sufficient capacity to continue fulfilling all service commitments to all passenger services, including Amtrak and commuter agencies.

Additionally, new streamlined routes that avoid interchanging in Chicago will create capacity for the Chicago-area operations of other railroads. Amtrak and commuter rail lines will benefit from reduced freight traffic on busy Chicago-area lanes.



A transcontinental railroad will be especially beneficial for communities in the Watershed region, which currently are underserved by rail.

BENEFITS FOR CUSTOMERS

Faster, more efficient service. Integrating Union Pacific and Norfolk Southern into one network will transform an estimated 10,000 existing lanes from interline service – which requires time-consuming handoffs between railroads – into faster, more efficient single-line service.

Benefits will not be confined to the largest shippers. The merger will create an additional 88,000 county-to-county lanes where shippers are moving freight by road that could – for the first time – move by single-line rail service. This will create hundreds of thousands of improved service opportunities, each one representing a business that could ship more competitively, a county that could grow its economy or a supply chain that could operate more efficiently.

Customers see the potential – more than 700 commercial partners have written letters of support, representing farmers, housing market suppliers, chemical industries, intermodal customers, soda ash producers, short lines and more.

Expanded service offerings. The optimized plan's most visible improvements include new trains with streamlined movement through mid-continent gateways. Union Pacific and Norfolk Southern anticipate adding several routes, including two new daily intermodal train pairs connecting the East and the West with more direct service – reducing estimated transit times from Southern California to the Ohio Valley and Northeast by up to 20 hours and from Southern California to the Southeast by more than two days. The combined railroad also will introduce six new manifest trains to bridge the East-West divide more efficiently, reducing over 700 daily car handlings. To meet expected intermodal growth, the combined company plans to introduce a total of seven premium intermodal lanes operating seven days a week.

Improved customer asset utilization. Customers who own rail cars will see improved productive use of their assets. With faster, more predictable service, they can turn cars more quickly, minimize idle time and lower equipment costs.

Simplified customer experience backed by innovative technology. Customers will be able to plan their freight moves with rail as easily as they do with trucking. A one-stop, customer-friendly portal will provide shippers with one transcontinental logistical solution, one set of commercial terms and a national database of truck-to-rail transload options. End-to-end tracking will give customers real-time visibility into when their freight will arrive, helping them plan production, deliveries and staffing with greater confidence.

With one carrier handling all billing, customers save time, reduce administrative errors and gain a clear point of contact for questions or adjustments. A single accountable carrier will eliminate the gray areas of interline handoffs, ensuring clearer communication, faster problem-solving and more dependable service.

Growth for short lines. As Union Pacific and Norfolk Southern create new single-line routes, open competitive markets and streamline service, short lines are positioned to capture new volumes flowing directly onto their rails. Every new carload represents volume for the network, as well as investment and job creation in the communities that short lines serve.

Additional voluntary commitments. Despite the fact that this merger will – on its own, without any voluntary commitments – enhance competition, Union Pacific and Norfolk Southern are providing additional assurances that the transaction will offer more competition and customer options, including:

- The combined company will voluntarily create Committed Gateway Pricing, which streamlines pricing of interline moves for thousands of customer locations that otherwise may not directly benefit from the merger.
- Only five customer locations out of more than 20,000 are served by Union Pacific and Norfolk Southern but no other carrier. The combined company will provide these customers with solutions that retain competitive shipping alternatives.
- The combined company's operating plan does not change principal routes, nor does it include line divestitures or discontinued services.
- The combined company will voluntarily embrace the same robust and readily enforceable open gateway requirement and bottleneck pricing conditions the STB imposed in the recent CP-KCS merger proceeding. This includes keeping open all existing gateways for eligible traffic on commercially reasonable terms.
- As an added protection for customers, Union Pacific will voluntarily create an alternative dispute resolution program to efficiently address certain claims regarding merger-related service issues.
- The railroads will plan to divest sufficient shares of the Peoria and Pekin Union Railway to prevent what will otherwise become majority ownership of this railroad post-merger. The railroads also will commit to divesting or otherwise relinquishing control of the Terminal Railroad Association of St. Louis as a condition to the merger closing. In addition, the railroads intend to reduce their ownership of TTX so that it is not greater than 49%, to eliminate any potential competitive concerns.

BENEFITS FOR SAFETY

Safety remains the No. 1 priority. A safety integration plan was created working with the Federal Railroad Administration (FRA) and submitted to the STB. The plan outlines how the new company will combine best practices from each railroad to further enhance the safety benefits for all. For example, comparing the first three quarters of 2023 to the first quarter of 2026, Union Pacific improved its personal injury rate by 57% and now leads the industry in employee safety. Norfolk Southern's advanced technologies and industry-leading rail safety practices have improved its FRA accident rate by 40% when comparing first quarter 2025 to first quarter 2026.

BENEFITS FOR RAILROAD EMPLOYEES

Protection for all union jobs. Railroading offers some of the best-paid industrial careers in America. Average compensation including benefits is $160,000, which is roughly 40% above the national industrial average. Union Pacific and Norfolk Southern expect to add approximately 1,200 net new union jobs by the third year following the merger to handle expected volume growth.

Growth enables an unprecedented pledge: Every employee with a union job at the time of the merger will continue to have one, and any merger-related union job efficiencies will be achieved solely through attrition. Union Pacific has formalized that pledge with groundbreaking jobs-for-life agreements with the International Association of Sheet Metal, Air, Rail and Transportation Workers – Transportation Division (SMART-TD), the nation's largest rail labor organization, as well as American Train Dispatchers Association (ATDA), Brotherhood of Railway Carmen (BRC), International Brotherhood of Boilermakers (IBB), National Conference of Firemen and Oilers (NCFO) and United Supervisors Council of America (USCA).

THE MOST THOROUGHLY PLANNED, CAREFULLY EXECUTED MERGER IN RAILROAD HISTORY

Union Pacific and Norfolk Southern are well-run, successful railroads coming together from positions of strength. They have the benefit of state-of-the-art transportation systems and anticipate investing an estimated $2 billion of incremental capital to integrate the two companies and deliver benefits to customers. Both railroads have a recent history of successfully managing large, complex system changes and will bring that proven record of precision integration to the implementation of the merger.

The combined company expects up to $1.8 billion in net revenue EBITDA synergies, as well as nearly $1 billion in cost synergies. Additionally, the combined company expects $133 million in annual capital synergies by leveraging the combined network more efficiently.

Optimized operating plan. Union Pacific and Norfolk Southern will put in place a unified operating plan to optimize routing and eliminate interchanges between the two railroads. The companies have identified significant opportunities to route traffic more efficiently and change blocking plans – how rail cars are grouped by destination so they can be moved together efficiently – to bypass intermediate handling in traditional gateway cities.

This will provide service improvements for customers without overhauling existing networks. Customers will work with the same teams and technology they do today, with one difference – the combined railroad's customer service teams will coordinate behind the scenes on transcontinental shipments to make the customer experience simple.

The transition will move forward in careful phases. Operational changes will be carried out only after going through established change management procedures. Customer service changes will be phased in to ensure rigorous system testing, comprehensive employee training and active customer engagement.

Reduced risk of service disruptions, increased resilience. The end-to-end nature of the Union Pacific and Norfolk Southern combination reduces the risk of service disruptions. Most traffic moving on the two networks will not be affected, and most yards and terminals will not experience any significant merger-related increase in activity levels. The primary impacts will be on traffic the railroads currently interchange, streamlining how it's handled and reducing opportunities for service disruptions.

The combined company will be more resilient due to the greater availability of resources, such as the main line track, terminals, crews, locomotives and rail cars required to keep traffic flowing. A transcontinental network with 50,000 route miles also will have more options for rapidly rerouting traffic to avoid congested areas or weather – essential in recovering from disruptions.

As an added protection for customers, Union Pacific and Norfolk Southern have developed a detailed Service Assurance Plan backed by an alternative dispute resolution program during the merger integration period. If a customer believes it has experienced a merger-related service issue and is not satisfied with the response, a formal arbitration process will resolve the claims in a timely manner.

Advanced technology systems. The integration of Union Pacific and Norfolk Southern will be powered in part by some of the most technologically advanced systems in the industry. Union Pacific is the first Class I railroad to modernize the "big three" core operating platforms: Positive Train Control, Computer-Aided Dispatch and Transportation Management (NetControl). Advanced platforms like NetControl unlock a new era of railroading in which real-time data drives near real-time insights that can optimize performance. Terminal Command Center, a new technology solution built on the heels of NetControl, will revolutionize how the railroads manage and operate rail yards.

MORE THAN 2,000 STAKEHOLDERS SUPPORT THE MERGER

The response to the proposed merger has been highly positive, with more than 2,000 stakeholders voicing support. They join shareholders from both railroads, who overwhelmingly approved the historic merger by casting votes that were 99% in favor of the transaction.

THE APPLICATION MEETS ALL REQUIREMENTS FOR STB APPROVAL

The transaction remains subject to STB review and approval within its statutory timeline and will be subject to continuing STB oversight post-closure. Union Pacific and Norfolk Southern welcome the opportunity to work with STB members and staff through a rigorous review process to demonstrate the many public and pro-competitive benefits of the merger. After completing thorough economic analysis, in-depth integration planning and extensive third-party review, the railroads are even more confident the proposed merger fulfills all requirements for approval. The two companies expect the transaction to be completed in the first half of 2027.

THE APPLICATION IS AVAILABLE FOR PUBLIC REVIEW

The Union Pacific and Norfolk Southern application to the STB is available for public review on its website. The statements in this Application Guide are qualified in their entirety by reference to the full application to the STB.

For more information on the need for the merger, positive impacts on competition, service improvements for customers, protections for union employees and broad public benefits, see the statements of **Jim Vena** at **App. Vol. 1**, **p. 209**, and **Mark George** at **App. Vol. 1**, **p. 241**.

For more on the market benefits of the merger, including how it would enhance competition, expand service options for customers and strengthen rail's ability to compete with long-haul trucking, see the joint statement of **Kenny Rocker** and **Ed Elkins** at **App. Vol. 1**, **p. 271**.

For more on anticipated positive market impacts, enhanced competition and shipper benefits, see the statements of third-party experts **Dr. Elizabeth Bailey** of Charles River Associates at **Vol. 2**, **p. 4**, **Dr. Mark Israel** of Econic Partners at **Vol. 2**, **p. 177**, and **David Hunt** of Oliver Wyman at **App. Vol. 2**, **p. 388**.

For more on Committed Gateway Pricing, see the statement of **Katherine Novak** at **App. Vol. 1**, **p. 372**.

For more on the operating plan for the combined company and protections for passenger rail operations, see the joint statement of **Eric Gehringer** and **John Orr** at **App. Vol. 2**, **p. 601**.

For more on the Service Assurance Plan, change management approach and alternative dispute resolution program, see the statement of **John Turner** at **App. Vol. 2**, **p. 845**.

- For more on how the Union Pacific and Norfolk Southern customer service operations would be integrated, see the Service Assurance Plan at **App. Vol. 2**, **p. 957**.
- For more on how Union Pacific and Norfolk Southern would integrate their information technology systems, see the Service Assurance Plan at **App. Vol. 2**, **p. 933**.

For anticipated changes to the management workforce, see the statement of **Josh Perkes** at **App. Vol. 1**, **p. 524**.

For more on how the merger would protect and enhance union jobs, see the statement of **Maqui Parkerson** at **App. Vol. 1**, **p. 535**.

For more on environmental benefits, see the statement of **Matthew Graham** at **App. Vol. 1**, **p. 637**.

For letters of support from customers, unions, ports and short lines, business and industry leaders, elected officials and civic leaders, associations and trade groups, policy experts and more, see **App. Vol. 3**.

Regularly updated information about the merger can be found at AmericasGreatConnection.com.

CAUTIONARY NOTE REGARDING FORWARD-LOOKING STATEMENTS

Certain statements in this communication are "forward-looking statements" within the meaning of the "safe harbor" provisions of the Private Securities Litigation Reform Act of 1995, as amended. These statements relate to future events or future financial performance and involve known and unknown risks, uncertainties, and other factors that may cause Union Pacific's, Norfolk Southern's or the combined company's actual results, levels of activity, performance, or achievements or those of the railroad industry to be materially different from those expressed or implied by any forward-looking statements. In some cases, forward-looking statements may be identified by the use of words like "may," "will," "could," "would," "should," "expect," "anticipate," "believe," "project," "estimate," "intend," "plan," "pro forma," or any variations or other comparable terminology.

While Union Pacific and Norfolk Southern have based these forward-looking statements on those expectations, assumptions, estimates, beliefs and projections they view as reasonable, such forward-looking statements are only predictions and involve known and unknown risks and uncertainties, many of which involve factors or circumstances that are beyond Union Pacific's, Norfolk Southern's or the combined company's control, including but not limited to, in addition to factors disclosed in Union Pacific's and Norfolk Southern's respective filings with the U.S. Securities and Exchange Commission (the "SEC"): the occurrence of any event, change or other circumstance that could give rise to the right of one or both of the parties to terminate the definitive merger agreement between Union Pacific and Norfolk Southern providing for the acquisition of Norfolk Southern by Union Pacific (the "Transaction"); the risk that potential legal proceedings may be instituted against Union Pacific or Norfolk Southern and result in significant costs of defense, indemnification or liability; the possibility that the Transaction does not close when expected or at all because required Surface Transportation Board or other approvals and other conditions to closing are not received or satisfied on a timely basis or at all (and the risk that such approvals may result in the imposition of conditions that could adversely affect the combined company or the expected benefits of the Transaction); the risk that the combined company will not realize expected benefits, cost savings, accretion, synergies and/or growth from the Transaction, or that such benefits may take longer to realize or be more costly to achieve than expected, including as a result of changes in, or problems arising from, general economic and market conditions, tariffs, interest and exchange rates, monetary policy, laws and regulations and their enforcement, and the degree of competition in the geographic and business areas in which Union Pacific and Norfolk Southern operate; disruption to the parties' businesses as a result of the announcement and pendency of the Transaction; the costs associated with the anticipated length of time of the pendency of the Transaction, including the restrictions contained in the definitive merger agreement on the ability of Union Pacific and Norfolk Southern, respectively, to operate their respective businesses outside the ordinary course during the pendency of the Transaction; the diversion of Union Pacific's and Norfolk Southern's management's attention and time from ongoing business operations and opportunities on merger-related matters; the risk that the integration of each party's operations will be materially delayed or will be more costly or difficult than expected or that the parties are otherwise unable to successfully integrate each party's businesses into the other's businesses; the possibility that the Transaction may be more expensive to complete than anticipated, including as a result of unexpected factors or events; reputational risk and potential adverse reactions of Union Pacific's or Norfolk Southern's customers, suppliers, employees, labor unions or other business partners, including those resulting from the announcement or completion of the Transaction; the dilution caused by Union Pacific's issuance of additional shares of its common stock in connection with the consummation of the Transaction; the risk of a downgrade of the credit rating of Union Pacific's indebtedness, which could give rise to an obligation to redeem existing indebtedness; a material adverse change in the financial condition of Union Pacific, Norfolk Southern or the combined company; changes in domestic or international economic, political or business conditions, including those impacting the transportation industry (including customers, employees and supply chains); Union Pacific's, Norfolk Southern's and the combined company's ability to successfully implement its respective operational, productivity, and strategic initiatives; a significant adverse event on Union Pacific's or Norfolk Southern's network, including, but not limited to, a mainline accident, discharge of hazardous materials, or climate-related or other network outage; the outcome of claims, litigation, governmental proceedings and investigations involving Union Pacific or Norfolk Southern, including, in the case of Norfolk Southern, those with respect to the Eastern Ohio incident; the nature and extent of Norfolk Southern's environmental remediation obligations with respect to the Eastern Ohio incident; new or additional governmental regulation and/or operational changes resulting from or related to the Eastern Ohio incident; and a cybersecurity incident or other disruption to our technology infrastructure.

This list of important factors is not intended to be exhaustive. These and other important factors, including those discussed under "Risk Factors" in Norfolk Southern's Annual Report on Form 10-K for the year ended December 31, 2025, as filed with the SEC on February 9, 2026 (available at https://www.sec.gov/ix?doc=/Archives/edgar/data/0000702165/000162828026006268/nsc-20251231.htm) and Norfolk Southern's subsequent filings with the SEC, Union Pacific's most recent Annual Report on Form 10-K for the year ended December 31, 2025, as filed with the SEC on February 6, 2026 (available at https://www.sec.gov/ix?doc=/Archives/edgar/data/100885/000010088526000037/unp-20251231.htm) and Union Pacific's subsequent filings with the SEC, may cause actual results, performance, or achievements to differ materially from those expressed or implied by these forward-looking statements. References to Union Pacific's and Norfolk Southern's website are provided for convenience and, therefore, information on or available through the website is not, and should not be deemed to be, incorporated by reference herein. The forward-looking statements herein are made only as of the date they were first issued, and unless otherwise required by applicable securities laws, Union Pacific and Norfolk Southern disclaims any intention or obligation to update or revise any forward-looking statements, whether as a result of new information, future events, or otherwise, except as may be required by applicable law or regulation.