Railroads Accused of Runaway Greed by ‘Liberal’ Watchdog (UPDATED)

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- Class I, Freight, News, Regulatory

Written by William C. Vantuono, Editor-in-Chief

On the same day that the House Transportation and Infrastructure Committee Railroad Subcommittee is holding a hearing on Surface Transportation Board reauthorization, while rail labor is in the midst of contentious contract negotiations and the STB is conducting hearings on controversial subjects like reciprocal switching and Amtrak access, Accountable.US, described by several general media outlets including NBC News as a “liberal-leaning watchdog” group, has a released a blistering 40-page attack on Class I railroads accusing them of unchecked greed and profiteering from the COVID-19 pandemic. Some industry observers are inferring the report has “labor’s fingerprints all over it.”

“The rail industry, which carries about 40% of U.S. freight, is dominated by just seven major railways [that] collected a record $1.18 billion in fees for freight stuck in supply chain bottlenecks in the first nine months of 2021 and has seen ‘a flurry of lawsuits’ over these charges,” Accountable.us writes in the report’s (downloadable below) summary. “Yet before the rail industry’s fees set a record during the pandemic, they had already increased by [more than] 30% since 2000, all while railroads’ costs have only increased by 3%.”

The report claims a July 2021 Executive Order, *Promoting Competition in the American Economy,* issued by President Joe Biden, specifically targets railroads. As *Railway Age* reported on July 9, the EO “contains very little language directly pertaining to the USDOT, STB and the railroad industry, with the possible exception of how a Class I merger could affect Amtrak." The Accountable.US report also points to STB Chairman Martin Oberman's activist stance on railroad service:

"A key culprit for railroad profiteering has been the industry's power to limit competition on the nation 's privately owned freight railroads while enjoying a unique exemption from antitrust laws. A July 2021 executive order from President Biden sought to confront the industry's 'aggressive pricing' and anticompetitive behavior, enabled by its 'monopoly power over sections of the country.'

"One of the most notable criticisms of railroads abusing their market power at the expense of American consumers and shippers has come from a key federal rail regulator, Surface Transportation Board Chairman Martin Oberman. In September 2021, Oberman condemned the industry's 'pursuit of the almighty OR'— referring to railroads' efforts to slash their operating ratios by cutting costs. Oberman estimated that since 2010, the industry spent $46 billion more on stock buybacks and dividends than on maintenance and equipment investments, which would have increased the rail system's resilience against the kind of supply chain shocks that are currently straining consumers' wallets and access to everyday necessities.

"An Accountable.US review has found that nearly all of the seven Class I railroads have enjoyed high profits amid the supply chain crisis while cutting costs, increasing shareholder handouts, and disclosing at least $9.37 million on lobbying related to competition, mergers, and Biden's July 2021 executive order:

- **"BNSF**—Which Raised Its Freight Rates And Cut Its Operating Ratio In Q3 2021—Saw Its Net Income Jump By Double Digits As It Spent $80,000 Lobbying On 'Rail Competition Issues' In 2021 While Its Parent Company Spent $12.6 Billion On Stock Buybacks In The First Six Months Of 2021.
- **"Union Pacific**—Whose Increased Fees 'More Than Offset' Lower Freight Volume And Which Touted 'Records' For Cutting Operating Ratio In 2021—Had Its 'Most Profitable Year Ever' In 2021 Due In Part To Price Increases, Spent Over $10 Billion On Shareholder Handouts, And Nearly $3.8 Million Lobbying On Competition issues That Year, Including Biden's Executive Order.
- **"Canadian National**—Which Touted Gains From Demurrage Fees And A Record Low For Its Operating Ratio In Q4 2021—Increased Its Net Income By 37%, Boosted Its Stock Buybacks By 317%, And Spent Over $1 Million While Lobbying On Merger Issues In 2021.
- **"CSX**—Which Credited Higher Fees For Its Profits And Cut Its Operating Ratio In 2021—Saw A 37% Jump In Net Earnings, Increased Stock Buybacks By 233%, And Spent Over $2.3 Million While Lobbying On 'Rail Economic Regulation' And Biden's Executive Order.
- **"Norfolk Southern**—Which Increased Freight Rates While Touting An 'All-Time Record' Low For Its Operating Ratio In 2021—Saw Net Income Surge 27%, Increased Stock Buybacks By 143%, And Spent $1.8 Million While Lobbying On Antitrust Issues In 2021.
- **"Canadian Pacific Railway**—Which Has Been Subject To A Federal Inquiry Into Demurrage Fees And Is Trying To Acquire Another Class I Railway For $25 Billion—Saw Net Income Climb 17% To About $2.2 Billion While Spending $270,000 While Lobbying On Merger Issues In 2021.
- **Kansas City Southern**—Which Has Claimed That Demurrage Fees Are "'Not A Revenue Source That We Seek To Increase'" While Subject To A Federal Inquiry About Fees—Saw Q4 2021 Net Income Jump 258%, Spent $188 Million On Shareholder Dividends In FY 2021, And Spent $120,000 While Lobbying On Mergers In 2021.

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Capital Research Center, which describes itself as "America's Investigative Think Tank," in a January 2020 article titled *Accountable.US's Unaccountable "Dark Money" Roots,* said Accountable.U.S., formed by three "progressive watchdog groups," is connected to Arabella Advisors, which claims to be a philanthropic organization but is actually a "dark money network":

"Against a backdrop of corruption allegations and partisanship, three 'progressive' watchdog groups have formed Accountable.US to push back against corruption in the U.S government. This new 'nonpartisan' nonprofit will focus on preserving accountability and transparency 'in the Trump era and beyond,' according to the Huffington Post. But Accountable.US's formation by Allied Progress, Restore Public Trust, and Western Values Project demonstrates anything but accountability and transparency, much less nonpartisanship, given their connections to Arabella Advisors' 'dark money' network."

Industry Response

Railway Age asked the Association of American Railroads (AAR) to respond to the Accountable.us report. The association provided the following information "to consider as it relates to the report itself and the broader issues it addresses:

• "While railroads continue to confront challenges felt across the supply chain—namely a lack of available warehousing, a chassis shortage, and a labor crunch most pronounced in drayage trucking—the idea that railroads are using demurrage charges to "profit from the supply chain crisis" is false. On the contrary, these charges serve to incentivize other actors in the supply chain to act more efficiently and in ways that would improve the supply chain. For railroads to be able to efficiently move freight, we need to balance the inflow and outflow of goods in our yards. And customers picking up their products in a timely manner is required to preserve that balance.

• "Railroads only have so many tools to incentivize customers to quickly retrieve their containers. Many railroads are using some combination of approaches to accelerate customer pick-ups—such as rebates for quick or off-hour pick-ups and storage fees when containers exceed reasonable dwell time. To the extent any shipper has a concern, the STB acts as a backstop to adjudicate disputes.

• "This is why you saw the White House encouraging use of similar market mechanisms as it relates to clearing port cargo. As noted in a recent AJOT article, John Porcari, the administration's former Port Envoy, noted: 'We also worked with the ports to propose fees on ocean carriers that were leaving import containers at the ports in Los Angeles and Long Beach for too long. This (proposed) fee has helped lead to a 40 percent reduction in long-dwelling containers at those two ports.'

• "Rail played and continues to play a key role in getting goods to market domestically and as it relates to international trade. The proof is in the data:
—2021 was the second-best year for intermodal;
—2021 was the best year in history for chemicals;
—2021 grain carloads were the most since 2008.

• "While rail rates are modestly higher than they were a few years ago, average rail rates are equal to what they were in 1990—32 years ago. Rail costs have risen at a level approximately half of trucks. And rail-cost increases are modest compared industries such as chemicals and lumber. You can reference this analysis.

• "The assertion that consolidation has reduced competition is also false. No merger has allowed a shipper to go from two railroads one. Moreover, STB waybill data show that shipments to and from stations with single service have become less prevalent over time—meaning the proportion of stations served by multiple Class I railroads has increased since the mergers. Mergers created the efficient rail network we have today—extending the benefits of single-line service to more shippers and commodities while opening new markets and remaining a reliable transportation link throughout current supply chain challenges. (Can also be found in AAR's STB comments)

• "Railroads will take necessary steps to protect the market-based regulatory structure that governs them. Passed by a Democrat-controlled Washington and signed into law by President Jimmy Carter, partial economic deregulation has been an undeniable success, spurring marked gains in safety, service, rates and productivity. However, it is misleading to argue that 2021 lobbying activities focused narrowly in this area. In fact, Congress passed a five-year surface transportation bill—the Infrastructure Investment and Jobs Act or BIF—which is *the* most significant piece of legislation for transportation and infrastructure stakeholders like railroads."

The Biggest Railroads Are Profiting From The Supply Chain Crisis After Cutting Costs, Spending Billions On Shareholder Handouts, And Lobbying On Competition Issues In 2021

SUMMARY: The rail industry, which carries about 40% of U.S. freight, is dominated by just seven major railways which collected a record $1.18 billion in fees for freight stuck in supply chain bottlenecks in the first nine months of 2021 and has seen "a flurry of lawsuits" over these charges. Yet before the rail industry's fees set a record during the pandemic, they had already increased by over 30% since 2000, all while railroads' costs have only increased by 3%.

A key culprit for railroad profiteering has been the industry's power to limit competition on the nation's privately-owned freight railroads while enjoying a unique exemption from antitrust laws. A July 2021 executive order from President Biden sought to confront the industry's "aggressive pricing" and anticompetitive behavior, enabled by its "monopoly power over sections of the country."

One of the most notable criticisms of railroads abusing their market power at the expense of American consumers and shippers has come from a key federal rail regulator, Surface Transportation Board Chairman Martin Oberman. In September 2021, Oberman condemned the industry's "'pursuit of the almighty OR'"—referring to railroads' efforts to slash their operating ratios by cutting costs. Oberman estimated that since 2010, industry spent $46 billion more on stock buybacks and dividends than on maintenance and equipment investments, which would have increased the rail system's resilience against the kind of supply chain shocks that are currently straining consumers' wallets and access to everyday necessities.

An Accountable.US review has found that nearly all of the seven Class I railroads have enjoyed high profits amid the supply chain crisis while cutting costs, increasing shareholder handouts, and disclosing at least $9.37 million on lobbying related to competition, mergers, and Biden's July 2021 executive order:

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- **Union Pacific**—Whose Increased Fees "More Than Offset" Lower Freight Volume And Which Touted "Records" For Cutting Operating Ratio In 2021—Had Its "'Most Profitable Year Ever'" In 2021 Due In Part To Price Increases, Spent Over $10 Billion On Shareholder Handouts, And Nearly $3.8 Million Lobbying On Competition issues That Year, Including Biden's Executive Order.

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The Rail Industry—Which Carries About 40% Of U.S. Freight—Is Dominated By Just Seven Major Railways Exempt From Antitrust Law That Have Been Sued For "Excessive Fees," Which Have Increased 30% Since 2000 While The Industry's Costs Have Only Risen 3%.

Rail Companies Carry About 40% Of U.S. Freight And Rail Is The U.S.'s Second-Biggest Freight Transportation Method.

Rail Is The Second Biggest Freight Transportation Method, Only Behind Trucking. "Compared to other freight transportation methods, the combined structure of U.S. railways accounts for nearly 28% of freight movement, the second-largest share behind trucks." [American Farm Bureau Federation, 09/08/21]

The Rail System Moves About 40% Of U.S. Freight. "The rail system moves about 40% of the nation's freight, but contributes only about 2% of greenhouse gas and other emissions, according to Little." [Bloomberg Law, 07/16/21]

U.S. Freight Railroads Are Privately Owned, Dominated By Just Seven Major Class I Companies With $900 Million Or More In Operating Revenue, Which Together Generate 94% Of All Rail System Revenue.

U.S. Freight Railroads Are Privately Owned. "Unlike roadways, U.S. freight railroads are privately owned. As independent businesses they are responsible for the maintenance and efficiency of their railways as well as for selecting competitive rates (tariffs) and formulating contracts." [American Farm Bureau Federation, 09/08/21]

About 94% Of Rail System Revenue Is Generated By Seven Class I Railroad Companies, Each Of Which Have Operating Revenues Of $900 Million Or More. "Approximately 94% of the revenue generated by the rail system belongs to seven Class I railroad-operating firms. Class I rail firms are defined as having inflation-adjusted annual carrier operating revenue of $900 million or more and include: Burlington Northern and Santa Fe Railway (BNSF), Canadian National Railway (CN), Canadian Pacific Railway (CP), CSX Transportation, Kansas City Southern Railway (KCS), Norfolk Southern Railway (NS) and Union Pacific Railroad (UP)." [American Farm Bureau Federation, 09/08/21]

- **The Seven Class I Rail Companies Are BNSF, Canadian National Railway, Canadian Pacific Railway, CSX, Kansas City Southern Railway, And Union Pacific.** [American Farm Bureau Federation, 09/08/21]

The Number Of Class I Railways Has Dramatically Fallen From 33 In 1980 To Just Seven In 2021, And There Could Be Just Six Of These Railways If A Recently Proposed Merger Is Completed.

The Number Of Major Class I Railways Has Fallen From 33 In 1980 To Just Seven In 2021. "There are currently seven Class I, or major, rail companies in the U.S. that own and operate train cars and railways, down from 33 in 1980, according to an April statement from the House Committee on Transportation and Infrastructure." [Bloomberg Law, 07/16/21]

- **"Class I Rail Firms Are Defined As Having Inflation-Adjusted Annual Carrier Operating Revenue Of $900 Million Or More [...]"** [American Farm Bureau Federation, 09/08/21]

March 2021: Class I Company Canadian Pacific Railway Began The Process Of Acquiring Another Class I Company, Kansas City Southern Railway, For $25 Billion, Which Would ""Create The First Single-Line Rail Network Linking The U.S., Mexico And Canada." "Canadian Pacific Railway Ltd. agreed to acquire Kansas City Southern in a transaction valued at about $25 billion that would create the first freight-rail network linking Mexico, the U.S. and Canada. The combination, which faces a lengthy regulatory review, is a long-term wager on an interconnected North American economy." [The Wall Street Journal, 03/21/21]

- **Canadian Pacific Railway And Kansas City Southern Railway Were Two Of The Seven Class I Rail Companies.** "Class I rail firms are defined as having inflation-adjusted annual carrier operating revenue of $900 million or more and include: Burlington Northern and Santa Fe Railway (BNSF), Canadian National Railway (CN), Canadian Pacific Railway (CP), CSX Transportation, Kansas City Southern Railway (KCS), Norfolk Southern Railway (NS) and Union Pacific Railroad (UP)." [American Farm Bureau Federation, 09/08/21]

- **December 14, 2021: The Merger Was Approved By Canadian Pacific's And Kansas City Southern's Shareholders And The Surface Transportation Board (STB) Was Expected To Issue A Decision On The Merger In Q4 2022.** "CANADIAN Pacific (CP) completed its acquisition of rival Class 1 Kansas City Southern (KCS) on December 14, following the approval of the merger by CP and KCS shareholders on December 8 and 10, respectively. KCS shares have been placed into a voting trust until the Surface Transportation Board (STB) issues a decision on the Class 1's proposed merger, Canadian Pacific Kansas City (CPKC), which is expected in the fourth quarter of 2022." [International Railway Journal, 12/15/21]

Railroads, Which Are Exempt From Antitrust Laws, Have Been Subject To Lawsuits Over "Excessive Fees," Which Have Risen Over 30% Since 2000 Even Though Rail Companies' Costs Have Only Increased 3%.

Railroads Are "Uniquely Exempted From The Nation's Antitrust Laws." "Railroads are uniquely exempted from the nation's antitrust laws, falling under the STB's regulatory authority instead." [Bloomberg Law, 07/16/21]

"There Have Been A Flurry Of Lawsuits Against Railroads Alleging Excessive Fees." "There have been a flurry of lawsuits against railroads alleging excessive fees, and shippers commonly complain that the STB's process for bringing rate grievances against carriers is expensive and cumbersome." [Bloomberg Law, 07/16/21]

Rail Rates Have Risen Over 30% Since 2000, Adjusted For Inflation, Even Though Rail Companies' Real Costs Have Increased Only 3%. "Rail companies' shipping rates, adjusted for inflation, have risen more than 30% since 2000, despite real costs born by carriers increasing by 3%, according to RCC data." [Bloomberg Law, 07/16/21]

Since 2016, Rail Shipping Rates For Grain Have Increased As Much As 13% And 18% For Ethanol. "Over the last five years, the cost of shipping grain on railways has increased. Rail rates on corn, soybeans and wheat, including fuel surcharges, have gone up 13%, 11% and 7%, respectively, since 2016. Similarly, rates to transport ethanol via rail have increased 18%, or about $0.04/gallon." [American Farm Bureau Federation, 09/08/21]

While Supply Chain Problems Escalated In 2021, Railways Limited Service To Major Ports While Collecting A Record $1.18 Billion In Demurrage Fees For Freight Stuck In Supply Chain Bottlenecks.

As Supply Chain Issues Escalated In 2021, Railways Suspended And Limited Service To The "Twin Ports" Of Los Angeles And Long Beach, Which Handle 40% Of The U.S.'s Imported Goods.

Terminals At Los Angeles And Long Beach Were "Bracing For An Increase In Their Rail Container Backlogs" After Railways Suspended And Limited Service In 2021. "In a sign of how maxed out the Western rail system feeding the Chicago area has become, Union Pacific Railroad has temporarily suspended service from the coast to its Global IV terminal in Joliet, Illinois, while BNSF is metering cargo to LPC. As a result, terminal operators at the ports of Los Angeles and Long Beach are bracing for an increase in their rail container backlogs." [Journal of Commerce, 07/23/21]

The Port Of Los Angeles Became "A Poster Child Of The Nationwide Supply Chain Crisis, Which Has Contributed To Shortages And Inflation." "The bottleneck at the Port of Los Angeles is beginning to clear after it became a poster child of the nationwide supply chain crisis, which has contributed to shortages and inflation." [Forbes, 11/16/21]

January 2022: The Port Of Los Angeles' Executive Director Said The Supply Chain Crisis Was Not Over And The Long Beach Port Was Still Experiencing Congestion, With 60 Cargo Ships Waiting Offshore. "On Tuesday, as Buttigieg praised local officials for moves that eased bottlenecks around the holiday period, 60 cargo ships idled offshore near the Long Beach port, waiting for their turn to dock. The supply-chain crisis is not over, Gene Seroka, executive director of the Port of Los Angeles, said while touring the Long Beach port with Buttigieg." [Los Angeles Times, 01/11/22]

The "Twin Ports" Of Los Angeles And Long Beach "Account For Almost 40% Of The Country's Imported Goods" And Have Been Known As "The Most Essential Gateways For The American Economy Over The Past Century." "The twin ports of Los Angeles and Long Beach became the most essential gateways for the American economy over the past century as the country expanded its economic reach beyond Europe and more toward Asia. But recently, you name a supply-chain issue, and the two West Coast hubs that account for almost 40% of the country's imported goods are likely suffering from it." [Bloomberg, 11/23/21]

In The First Nine Months Of 2021, Class I Railroads Collected A Record $1.18 Billion In Demurrage Fees For Freight Stuck In Supply Chain Bottlenecks After Years Of Reducing The Amount Of Shippers' Free Storage Time At Terminals.

Railroads Charge Demurrage Fees For Cargo That Stays At A Terminal Beyond A Certain Amount Of Time. "Railroads argue demurrage fees — which take effect when cargo stays beyond a specified time at a terminal — are an essential tool to keep cargo moving." [SupplyChainDive, 01/12/22]

Headline: 'Insult to injury': Record rail demurrage adds to shipper costs [SupplyChainDive, 01/12/22]

Demurrage Revenue Increased By 33% From 2020 To 2021. "Demurrage revenue reported to the STB grew 33% between 2020 and 2021, the second-highest YoY increase over the past decade (the highest was between 2017 and 2018)." [SupplyChainDive, 01/12/22]

Class I Railroads Collected $1.18 Billion In Demurrage Fees In The First Nine Months Of 2021, The "Highest Annual Figure Recorded Since At Least 2011." "The seven Class I railroads that operate in the United States collected $1.18 billion in revenues from demurrage fees during the first three quarters of 2021. That's the highest annual figure recorded since at least 2011, according to data reported to the Surface Transportation Board. And shippers often ended up on the receiving end of the bill." [SupplyChainDive, 01/12/22]

Demurrage "Fees Quickly Added Up" During 2021's "Flood Of Imports" And Subsequent Supply Chain Issues. "Railyards were overwhelmed with a flood of imports coming from West Coast ports last summer. Carriers said shippers would leave their cargo at railyards due to warehouse space constraints, a lack of truck drivers and shortages in equipment such as chassis. Storage fees quickly added up as yards remained backlogged with containers." [SupplyChainDive, 01/12/22]

Amid "Record Asian Imports" That Began Overwhelming Marine Terminals In 2020, Importers Were Unable To Pick Up Their Cargo Before They Began Incurring Demurrage Fees. "Record Asian imports that began in the spring of 2020 have overwhelmed marine terminals and rail ramps, preventing importers from picking up cargo before their so-called free time runs out, exposing them to demurrage billing." [Journal of Commerce, 07/23/21]

Inland Rail Ramps Also Experienced Congestion And Railway Clients "Racked Up Thousands Of Dollars In Charges In Some Cases." "Shippers and consignees face similar issues at inland rail ramps, where they've racked up thousands of dollars in charges in some cases." [Journal of Commerce, 07/23/21]

In Recent Years, Railroads Have Reduced The Amount Of Free Storage Time That Shippers Have At Terminals Before Demurrage Fees Start Taking Effect. "In recent years, railroads have reduced how much free time containers can stay at the terminal before storage fees kick in, arguing such moves are needed to increase cargo flow for all users." [Journal of Commerce, 07/23/21]

Railroads Have Used Market Power To Cut Costs—Known As Lowering Their Operating Ratios—Spending About $46 Billion More On Shareholder Handouts Than On Maintenance And Equipment Since 2010.

Railroads Have Used Their Market Power To Lower Their Operating Ratios (ORs)—A Federal Regulator Has Criticized Industry For Its "'Pursuit Of The Almighty OR'" And Spending $46 Billion Less On Maintenance And Equipment Than On Stock Buybacks And Shareholder Dividends Since 2010.

Railroads Have Driven Down Their Operating Ratios, "Or Operating Expenses As A Percentage Of Revenue" In Order To Spend "Less Money Running The Railroad And More On Stock Buybacks Or Dividends." "THE RAIL SUPPLY CHAIN CRISIS was decades in the making, based on two fundamental sources—excessive consolidation and the railroads' version of just-in-time, called precision scheduled railroading (PSR). [...] Today, using PSR [precision scheduled railroading], railroad management's job is to drive down the 'operating ratio,' or operating expenses as a percentage of revenue. In other words, Wall Street judges railroads' success based in part on spending less money running the railroad and more on stock buybacks or dividends." [The American Prospect, 02/04/22]

Due To Railroads' Market Power, They Can Lower Operating Ratios To Do "'Less With Less'" Instead Of Increasing Efficiency And Doing "More With Less." "Theoretically, focusing on lowering operating ratios pushes railroads to be more efficient, to do more with less. But when railroads have the market power they have today, they can instead 'do less with less,' as shippers and workers put it." [The American Prospect, 02/04/22]

In September 2021, Surface Transportation Board (STB) Chairman Martin Oberman "Criticized Railroads For Their 'Pursuit Of The Almighty OR'" While Noting That They Have Spent $196 Billion On Stock Buybacks And Dividends Since 2010 While Investing Only $150 Billion On Maintenance And Equipment. "In a September speech, STB Chairman Martin Oberman criticized railroads for their 'pursuit of the almighty OR' and estimated that U.S. railroads have paid out $196 billion in stock buybacks or dividends to shareholders since 2010. In comparison, over that same period according to Oberman, railroads spent $150 billion actually maintaining the physical rail and equipment they need to run their railroad." [The American Prospect, 02/04/22]

A Biden Executive Order Has Sought To Combat Railways' Consolidation And "Aggressive Pricing" By Increasing Competition And Giving Shippers More Affordable Rail Route Options.

In July 2021, President Biden Issued An Executive Order To Confront The Railroad Industry's Consolidation And "Aggressive Pricing" Enabled By Its "Monopoly Power Over Sections Of The Country."

July 2021: President Biden Issued An Executive Order To "Confront Consolidation And Perceived Anticompetitive Pricing" In The Rail Industry To Address "Aggressive Pricing." "The Biden administration will push regulators to confront consolidation and perceived anticompetitive pricing in the ocean shipping and railroad industries as part of a broad effort to blunt the power of big business to dominate industries, according to a person familiar with the situation. The administration, in a sweeping executive order expected this week, will ask the Federal Maritime Commission and the Surface Transportation Board to combat what it calls a pattern of consolidation and aggressive pricing that has made it onerously expensive for American companies to transport goods to market." [The Wall Street Journal, 07/08/21]

The Biden Administration Argued The Small Number Of Major Railroads "Has Enabled Companies To Charge Unreasonable Fees." "The administration says the relatively small number of major players in the ocean-shipping trade and in the U.S. freight rail business has enabled companies to charge unreasonable fees." [The Wall Street Journal, 07/08/21]

"Consolidation Has Given Railroads Monopoly Power Over Sections Of The Country Where Theirs Are The Only Freight Tracks." "In the case of the seven Class 1 freight railroads, consolidation has given railroads monopoly power over sections of the country where theirs are the only freight tracks, the person said." [The Wall Street Journal, 07/08/21]

President Biden's July 2021 Executive Order Encouraged The Surface Transportation Board (STB) To Introduce More Competitiveness Into The Rail System And Reduce Overcharging. "In the Order, the President: […] Encourages the Surface Transportation Board to require railroad track owners to provide rights of way to passenger rail and to strengthen their obligations to treat other freight companies fairly." [The White House, 07/09/21]

The Biden Executive Order Encouraged The Federal Surface Transportation Board (STB) To Advance A Proposed Rule Allowing Shippers To Switch Their Freight To Competing And Potentially Less Expensive Railways.

The Executive Order Encouraged The STB To Advance A "Longstanding Proposed Rule" On Reciprocal Or Competitive Switching, Where Shippers With Access To Only One Railroad Can Request That Shipments Be Switched To Potentially Less Expensive Competing Railroads En Route To Their

Destination. "The executive order will encourage the STB to take up a longstanding proposed rule on so-called reciprocal or competitive switching, the practice whereby shippers served by a single railroad can request bids from a nearby competing railroad if service is available. The competitor railroad would pay access fees to the monopoly railroad, but could win the shipper's business by offering a lower price, using the rival railroad's tracks and property." [The Wall Street Journal, 07/08/21]

- **Switching Is Only Allowed If The STB Finds That It Would Prevent Anticompetitive Behavior, "A High Bar For Shippers To Meet."** "Currently, switching only is allowed if the STB determines it necessary to prevent anticompetitive conduct, a high bar for shippers to meet." [Bloomberg Law, 07/16/21]

- **Switching Would Allow Shippers To Find Competitive Bids From Competing Rail Companies And To Lower Their Freight Rates.** "Shippers argue that switching would allow them to get competing bids for service, thus lowering rates. 'So, you're still captive to a railroad but only for maybe 10 miles instead of 500,' Jensen said." [Bloomberg Law, 07/16/21]

Shippers Have Been In A "Decadeslong Fight" Against The Rail Industry's Rate Hikes. "The order emphasizes remedies that compel railroads to allow shippers more flexibility in switching carriers, such as being able to switch carriers mid-route. For shippers, it's a step forward in their decadeslong fight against a rail industry they argue has hiked rates and neglected reliable service since deregulation in the 1990s." [Bloomberg Law, 07/16/21]

The STB Has Warned Railroads They Would Be Subject To Audits And Issued Rules To Increase Transparency On Demurrage Fees And, But Railroads Have Complained They "Encourage Unnecessary Litigation."

July 2021: The STB Sent A Letter To Each Of The Seven Class I Railroads Seeking Information On Their Demurrage And Detention Practices. "US rail regulators want the seven Class I railroads to explain their policies and practices for demurrage charges, acknowledging pleas from shippers to intervene as intermodal containers pile up at inland rail ramps and accrue storage fees. A July 22 letter sent to each of the railroads from US Surface Transportation Board Chairman Martin Oberman came just two days after the Federal Maritime Commission (FMC) told the top nine container lines operating on US trades it will immediately begin auditing how they bill customers for demurrage and detention." [Journal of Commerce, 07/23/21]

In The Letter, STB Chairman Martin J. Oberman Expressed Concern About Fees Charged Even When Receivers Had "'No Means'" To Keep Their Shipments Moving. "'Complaints of demurrage have come from shippers, both large and small, in addition to third- party logistics providers. I am particularly troubled about reports that Class I railroads are continuing to impose these charges even in circumstances when the receivers, as a practical matter, have no means to facilitate the release of their containers,' Oberman wrote the railroads." [Journal of Commerce, 07/23/21]

Oberman Added, "'Demurrage Fails To Provide Any Constructive Incentives, And Perversely Results In Massive Charges That Can Exceed The Commercial Value Of The Shipment.'" "'Under these circumstances, demurrage fails to provide any constructive incentives, and perversely results in massive charges that can exceed the commercial value of the shipment.'" [Journal of Commerce, 07/23/21]

The Surface Transportation Board (STB), The Federal Agency Which Oversees Freight Rail, Issued Rules In 2020 And 2021 Which Increased The Transparency Of Rail Companies' Demurrage Fees. "New rules from the STB could make it easier for shippers to audit and dispute bills. Class I railroads now have to charge shippers demurrage fees directly instead of sending bills to terminal operators or third-party logistics providers, according to an STB rule that went into effect in 2020. Another rule, enacted Oct. 6, requires railroads to provide machine-readable access to minimum information on billing, including details on the billing cycle covered by the invoice, the car involved, the commodity being shipped, and railroads' original estimated time of arrival for the cargo in question." [SupplyChainDive, 01/12/22]

- **"The Surface Transportation Board Is An Independent Federal Agency That Is Charged With The Economic Regulation Of Various Modes Of Surface Transportation, Primarily Freight Rail."** [Surface Transportation Board, accessed 02/02/22]

Some Railroads, Such As CSX And Canadian National, Have Claimed The New STB Rules Would "Encourage Unnecessary Litigation And Push Shippers To Challenge Invoices Based On Technical Issues." "Railroads including CN and CSX argued the new requirements would encourage unnecessary litigation and push shippers to challenge invoices based on technical issues, not the validity of a demurrage charge. Shippers disagree, saying disputing charges are costly and take a significant amount of time." [SupplyChainDive, 01/12/22]

"Despite The New Rules, Railroads Say Demurrage Remains One Of The Biggest Levers They Can Pull To Get Shippers To Pick Up Their Cargo And Prevent Further Congestion." [SupplyChainDive, 01/12/22]

BNSF—Which Raised Its Freight Rates And Cut Its Operating Ratio In 2021—Saw Its Net Income Jump By Double Digits While Its Parent Company Spent $12.6 Billion On Stock Buybacks In 2021's First Six Months And $80,000 While Lobbying On "Rail Competition Issues" That Year.

Class I Railway BNSF—A Subsidiary Of Warren Buffet's Berkshire Hathaway—Was The Biggest North American Railroad Company In 2020.

Class I Railway BNSF Was "The Largest Railroad Company In North America, With Over 35,000 Employees" As Of February 2022. "BNSF is the largest railroad company in North America, with over 35,000 employees." [NBC Montana, 02/01/22]

- **BNSF "Operates 32,500 Miles Of Track In 28 Western States."** "BNSF, one of the nation's largest railroads, operates 32,500 miles of track in 28 western states." [Associated Press, 01/19/22]

- **BNSF Was The Top U.S. Railroad Company In 2020, With A Revenue Of $29 Billion.** [Sounding Maps, accessed 02/11/22]

- **The Seven Class I Rail Companies Are BNSF, Canadian National Railway, Canadian Pacific Railway, CSX, Kansas City Southern Railway, And Union Pacific.** [American Farm Bureau Federation, 09/08/21]

BNSF Is A Subsidiary Of Berkshire Hathaway, Which Is The "Investing Conglomerate" Of Warren Buffet, One Of The World's Richest People. [Berkshire Hathaway, accessed 02/02/22]

- **Berkshire Hathaway Owner Warren Buffett Was The World's 6th Richest Person In 2021, With A Net Worth Of $96 Billion.** [Forbes, accessed 02/02/22]

- **Berkshire Hathaway Is "Warren Buffett's Investing Conglomerate."** "Shares of billionaire Warren Buffett's investing conglomerate, Berkshire Hathaway, continued to their new year rally on Thursday, bringing the company's market value to a new high of over $700 billion—and putting it within reach of the trillion-dollar milestone." [Forbes, 01/06/22]

BNSF Credited 5% Higher Rates For A 12% Revenue Increase In Its Q3 2021, It Has Cut The Amount Of Time Before It Started Imposing Demurrage Fees, And Has Been Asked To Provide Information For The STB Chairman's Probe Into "'Sizeable'" Demurrage Fees.

November 2021: BNSF Credited 5% Higher Rates And Increased Fuel Surcharges For A 12% Revenue Increase In Its Q3 2021, Which Ended On September 30, 2021. "For third-quarter 2021, BNSF posted revenue of $5.790 billion, up 12% from the prior-year period, reflecting a 4% increase in volumes, led by the Industrial Products and Coal business units, the Class I railroad reported. The revenue increase included volumes of 2.537 million units. The average revenue per car/unit increased 5% for the three months ending Sept. 30, 2021 vs. the same point last year, according to BNSF. 'Higher rates per car/unit and increased fuel surcharges principally from higher fuel prices were offset by business mix changes,' the railroad reported." [Railway Age, 11/10/21]

- **BNSF's Q3 2021 Ended On September 30, 2021.** " Source: Amounts derived from the GAAP results in the Burlington Northern Santa Fe, LLC Forms 10-Q for the period ended September 30, 2021." [BNSF Railway Company, accessed 02/02/22]

As Railways Cut The Amount Of Time Before Imposing Demurrage Fees On Shippers, BNSF Eliminated An Industry-Standard Cutoff Time And Tightened The Window Of Free Storage Time That Shippers Have. "In recent years, railroads have reduced how much free time containers can stay at the terminal before storage fees kick in, arguing such moves are needed to increase cargo flow for all users. [...] BNSF Railway eliminated the industry-standard 5 p.m. cutoff time when determining what is the 'Day of Notification,' which tightens the free window for any container made available in the evening." [Journal of Commerce, 07/23/21]

July 2021: Surface Transportation Board (STB) Chairman Martin J. Oberman Wrote To BNSF Southern And The Six Other Class I Railways Requesting More Information About Supply Chain Congestion And Complaints About Demurrage Fees. "Surface Transportation Board (STB) Chairman Martin J. Oberman has called on the CEOs of the seven North American Class I's to provide information on the extent of congestion at key U.S. container terminals and on their policies and practices for assessing container demurrage fees, citing reports of 'substantial charges being levied by the railroads for container storage at these terminals.'" [Railway Age, 07/23/21]

- **Oberman Said The STB Received "'Numerous Reports'" About Railways' "'Sizeable Storage Fees ('Demurrage') Some Customers Have Been Required To Pay In Order To Obtain Release Of Containers Bearing Their Shipments.'"** "In identical letters (see below), dated July 22, Oberman wrote that 'in recent months, the Board has received numerous reports related to the length of time that containers are being held in rail yards, and the sizeable storage fees ('demurrage') some customers have been required to pay in order to obtain release of containers bearing their shipments. These reports have come from shippers, both large and small, in addition to third-party logistics providers." [Railway Age, 07/23/21]

- **The Letter Was Addressed To BNSF And Other Railways.** "*Railway Age* provides the July 22, 2021, letter—submitted to Katie Farmer, BNSF; Keith Creel, Canadian Pacific; JJ Ruest, CN; James Foote, CSX; Patrick Ottensmeyer, Kansas City Southern; James Squires, Norfolk Southern; and Lance Fritz, Union Pacific—in its entirety below." [Railway Age, 07/23/21]

BNSF Lowered Its Operating Ratio By Nearly A Full Percentage Point In The First Nine Months Of 2021.

BNSF Lowered Its Operating Ratio From 62.1% In The First Nine Months Of 2020 To 61.2% In The First Nine Months Of 2021:

Statement of Income (in millions)	Q3 - 2021	Q3 - 2020	Q/Q % Change	2021 YTD	2020 YTD	Y/Y % Change
[...]						
Operating ratio (a)	59.5 %	59.7 %		61.2 %	62.1 %	

[BNSF Railway Company, accessed 02/02/22]

BNSF's Q3 2021 Net Income Was 14% Higher Than In Its Q3 2020 And Its Net Income For 2021's First Nine Months Was 17% Higher Than In The Same Period In 2020.

BNSF's Q3 2021 Net Income Was $1.538 Billion, A 14% Increase Over Its Q3 2022 Net Income, And Its Net Income For The First Nine Months Of 2021 Was $4.305 Billion, 17% Higher Than In The First Nine Months Of 2020:

Statement of Income (in millions)	Q3 - 2021	Q3 - 2020	Q/Q % Change	2021 YTD	2020 YTD	Y/Y % Change
[...]						
Net income	$ 1,538	$ 1,347	14 %	$ 4,305	$ 3,668	17 %

[BNSF Railway Company, accessed 02/02/22]

BNSF Had Over $2 Billion In Cash And Cash Equivalents At The End Of Its Q3 2021.

BNSF Had $2.11 Billion In Cash And Cash Equivalents, As Of September 30, 2021:

	September 30, 2021	December 31, 2020
Assets		
Current assets:		
Cash and cash equivalents	$ 2,110	$ 1,986

[Burlington Northern Santa Fe, LLC SEC Form 10-Q, 11/08/21]

BNSF Parent Berkshire Hathaway Spent $12.6 Billion On Stock Buybacks In The First Six Months Of 2021 And Its "Stockpile Of Cash And Cash Equivalents" Was About $140 Billion.

BNSF's Parent Company Berkshire Hathaway Spent $12.6 Billion On Stock Buybacks In The First Six Months Of 2021, While Its "Stockpile Of Cash And Cash Equivalents Has Hovered Around $140 Billion." "Berkshire spent $12.6 billion on stock buybacks during the first six months of 2021. [...] Meanwhile, Berkshire's stockpile of cash and cash equivalents has hovered around $140 billion for the past year. The figure stood at $144 billion at the end of the second quarter." [The Wall Street Journal, 11/04/21]

- **BNSF Is A Subsidiary Of Berkshire Hathaway.** [Berkshire Hathaway, accessed 02/02/22]

BNSF Paid A Lobbying Firm $80,000 To Influence Congress On "Rail Competition Issues" And Other Matters In 2021 As Part Of The Over $3 Million It Spent On Federal Lobbying In 2021.

BNSF Paid $80,000 To A Lobbying Firm To Lobby Congress On "Rail Competition Issues" And Other Matters In 2021:

- **Q4 2021: BNSF Railroad Company Paid $20,000 To Alpine Group Partners, LLC To Lobby Congress On "Rail Competition Issues" And Other Matters** [Alpine Group Partners, LLC LD-2 Lobbying Disclosure, 01/19/22]

- **Q3 2021: BNSF Railroad Company Paid $20,000 To Alpine Group Partners, LLC To Lobby Congress On "Rail Competition Issues" And Other Matters.** [Alpine Group Partners, LLC LD-2 Lobbying Disclosure, 10/18/21]

- **Q2 2021: BNSF Railroad Company Paid $20,000 To Alpine Group Partners, LLC To Lobby Congress On "Rail Competition Issues" And Other Matters.** [Alpine Group Partners, LLC LD-2 Lobbying Disclosure, 07/19/21]

- **Q1 2021: BNSF Railroad Company Paid $20,000 To Alpine Group Partners, LLC To Lobby Congress On "Rail Competition Issues" And Other Matters.** [Alpine Group Partners, LLC LD-2 Lobbying Disclosure, 04/14/21]

BNSF Spent A Total Of $3,085,000 On Lobbying In 2021:

Lobbying Entity	Lobbying Client	Report Quarter	Amount	Year
Alpine Group Partners, LLC.	BNSF Railway Company	4th Quarter - Report	$20,000.00	2021
Alpine Group Partners, LLC.	BNSF Railway Company	2nd Quarter - Report	$20,000.00	2021
Alpine Group Partners, LLC.	BNSF Railway Company	1st Quarter - Report	$20,000.00	2021
Alpine Group Partners, LLC.	BNSF Railway Company	3rd Quarter - Report	$20,000.00	2021
BNSF Railway Company	BNSF Railway Company	4th Quarter - Report	$630,000.00	2021
BNSF Railway Company	BNSF Railway Company	3rd Quarter - Report	$650,000.00	2021
BNSF Railway Company	BNSF Railway Company	1st Quarter - Report	$520,000.00	2021
BNSF Railway Company	BNSF Railway Company	2nd Quarter - Report	$680,000.00	2021
B+S Strategies	BNSF Railway Company	4th Quarter - Report	$20,000.00	2021
B+S Strategies	BNSF Railway Company	2nd Quarter - Report	$20,000.00	2021
B+S Strategies	BNSF Railway Company	3rd Quarter - Report	$20,000.00	2021
B+S Strategies	BNSF Railway Company	1st Quarter - Report	$25,000.00	2021
Cornerstone Government Affairs, Inc.	BNSF Railway Company	4th Quarter - Report	$50,000.00	2021
Cornerstone Government Affairs, Inc.	BNSF Railway Company	3rd Quarter - Report	$50,000.00	2021
Cornerstone Government Affairs, Inc.	BNSF Railway Company	2nd Quarter - Report	$50,000.00	2021
Cornerstone Government Affairs, Inc.	BNSF Railway Company	1st Quarter - Report	$30,000.00	2021
Dinino Associates, LLC	Cornerstone Government Affairs Obo BNSF Railway Company	4th Quarter - Report (No Activity)		2021
Dinino Associates, LLC	Cornerstone Government Affairs Obo BNSF Railway Company	3rd Quarter - Report (No Activity)		2021
Dinino Associates, LLC	Cornerstone Government Affairs Obo BNSF Railway Company	1st Quarter - Report (No Activity)		2021
Dinino Associates, LLC	Cornerstone Government Affairs Obo BNSF Railway Company	2nd Quarter - Report (No Activity)		2021

K&L Gates, LLP	BNSF Railway Co	4th Quarter - Report	$30,000.00	2021
K&L Gates, LLP	BNSF Railway Co	2nd Quarter - Report	$30,000.00	2021
K&L Gates, LLP	BNSF Railway Co	3rd Quarter - Report	$30,000.00	2021
K&L Gates, LLP	BNSF Railway Co	1st Quarter - Report	$30,000.00	2021
Navigators Global LLC (Formerly Dc Navigators, LLC)	BNSF Railway Company	4th Quarter - Report	$20,000.00	2021
Navigators Global LLC (Formerly Dc Navigators, LLC)	BNSF Railway Company	3rd Quarter - Report	$20,000.00	2021
Navigators Global LLC (Formerly Dc Navigators, LLC)	BNSF Railway Company	1st Quarter - Report	$20,000.00	2021
Navigators Global LLC (Formerly Dc Navigators, LLC)	BNSF Railway Company	2nd Quarter - Report	$20,000.00	2021
The Madison Group	BNSF Railway	4th Quarter - Report	$15,000.00	2021
The Madison Group	BNSF Railway	3rd Quarter - Report	$15,000.00	2021
The Madison Group	BNSF Railway	1st Quarter - Report	$15,000.00	2021
The Madison Group	BNSF Railway	2nd Quarter - Report	$15,000.00	2021
			Total: $3,085,000.00	

[Senate Lobbying Disclosure Database, accessed 02/04/22]

January 2022: BNSF Asked A Federal Judge To Block Two Unions From Striking Over Its Attendance Policy That Harshly Penalized Workers For Missing Work, Which The Unions Said Violated Labor Contracts, Pushed Employees To Work While Sick, And Penalized Union Officials For Taking Time To Represent Workers.

January 19, 2022: BNSF Wanted A Federal Judge To Block About 17,000 Workers From Two Unions From Going On Strike Over The Company's Attendance Policy "That Would Penalize Employees For Missing Work." "BNSF railroad wants a federal judge to prevent two of its unions from going on strike next month over a new attendance policy that would penalize employees for missing work. The Fort Worth, Texas-based railroad went to court after the Brotherhood of Locomotive Engineers and Trainmen, and the Transportation Division of the International Association of Sheet Metal, Air, Rail, and Transportation union both threatened to strike over the new policy that is set to go into effect on Feb. 1." [Associated Press, 01/19/22]

- **Nearly 17,000 BNSF Employees Threatened To Strike.** "On Tuesday, a federal judge in Fort Worth granted BNSF, one of the nation's largest freight companies, a temporary restraining order, blocking nearly 17,000 employees from striking over the company's new attendance policy." [KCEN, 01/25/22]

The Union Heads Said BNSF's Attendance Policy Would Violate Their Labor Contracts And Push Employees To Work Even When They Are Sick During The Pandemic. "The heads of the two unions, BLET National President Dennis Pierce and SMART-TD President Jeremy Ferguson, said in a joint statement that the new policy would violate their contracts with BNSF and could provide an incentive for workers to show up when they are sick in the middle of the coronavirus pandemic." [Associated Press, 01/19/22]

- **The Attendance Policy Relied On A Points System That Penalized Workers For Taking Certain Days Off—One Worker Noted They Could Face Disciplinary Action For Taking Two "High-Impact" Days Off, Such As Christmas Eve And Christmas Day.** "The call to strike comes after BNSF changed its attendance policy. One employee reached out to NBC Montana, stating that, under the new policy, BNSF trainmen will get around 22 days off a year and, depending on the days they miss, it could result in termination. That's because the company switched to a Hi-Viz system starting Tuesday. Basically, it means that an employee starts with 30 points. They can lose points depending on the different situations such as no-shows or missed calls but can get points back if they work 14 days straight. The current BNSF employee explained to us there are high-impact days, such as holidays, that can cost 15 points apiece. For example, if an employee takes off Christmas Eve and Christmas Day, there goes the 30 points, and disciplinary actions are taken." [NBC Montana, 02/01/22]

BNSF Argued That A Strike "Can Cause Devastating And Irreparable Harm To Carriers, Their Customers, Other Railroads, And The General Public." "The railroad maintains that this issue is a minor dispute that the unions wouldn't be allowed to strike over under federal law, and a strike shouldn't be allowed because it would hurt the economy too much. 'Rail strikes — even if brief or localized — can cause devastating and irreparable harm to carriers, their customers, other railroads, and the general public. The threatened strike in this case would strain an already overburdened supply chain, potentially causing wide-ranging harm to the national economy,' BNSF said in its lawsuit." [Associated Press, 01/19/22]

January 25, 2022: The Federal Judge Granted BNSF A Temporary Restraining Order Blocking The Unions From Striking. "A U.S. district court judge on Tuesday granted Fort Worth-based rail company BNSF a temporary restraining order blocking two of its unions from striking." [Fort Worth Star-Telegram, 01/25/22]

The Unions Argued That BNSF's Attendance Policy Violated The Labor Relations Act And Penalized Union Officials From Missing Work To Represent Employees In Disputes. "BNSF Railway's plans to institute a new attendance policy while a new labor agreement is under negotiation is contrary to the terms of the Railway Labor Act, the Brotherhood of Locomotive Engineers and Trainmen argues in a new court filing. [...] Instead, the filing says, BNSF unilaterally imposed the new attendance policy. The union also claims the new policy penalizes union officials who lay off work to attend to union business, including representation of employees in disciplinary proceedings, contrary to existing agreements." [Trains, 01/28/22]

Unions Argued That The Attendance Policy Punished Workers "For Missing Work For Any Reason." "BNSF's two largest unions are raising concerns about a new attendance policy that went into effect at the railroad Tuesday. That's because they say it penalizes employees for missing work for any reason and encourages sick employees to report for duty." [West Dakota Fox, 02/01/22]

January 31, 2022: The Unions Requested Help From The U.S. Departments Of Transportation And Labor. "Two unions representing railroad workers sent a letter Monday pleading for help from the U.S. Department of Transportation and Labor. It's one of many documents filed after the U.S. District Court issued a temporary restraining order against two groups of employees -- the International Association of Sheet Metal, Air, Rail and Transportation Workers and the Brotherhood of Locomotive Engineers and Trainmen." [NBC Montana, 02/01/22]

Union Pacific—Whose Increased Fees "More Than Offset" Lower Freight Volume While It Touted "Records" For Cutting Operating Ratio In 2021—Had Its "'Most Profitable Year Ever'" In 2021 Due To Price Increases, Spent Over $10 Billion On Shareholder Handouts, And Nearly $3.8 Million While Lobbying On Competition issues That Year.

Class I Railway Union Pacific Was The Second Biggest U.S. Railroad Company As Of 2020, Operating Across 23 States In The Western U.S.

Class I Railway Union Pacific Was The Second Biggest U.S. Railroad Company In 2020, Based On Its Revenue Of $19.53 Billion. [Sounding Maps, accessed 02/11/22]

- **The Seven Class I Rail Companies Are BNSF, Canadian National Railway, Canadian Pacific Railway, CSX, Kansas City Southern Railway, And Union Pacific.** [American Farm Bureau Federation, 09/08/21]

Union Pacific Operates Across 23 States In The Western U.S., With 32,200 Route Miles And 31,000 Employees As Of 2020. "Union Pacific Corporation (NYSE:UNP) is one of America's leading transportation companies. Its principal operating company, Union Pacific Railroad, is North America's premier railroad franchise, covering 23 states across the western two-thirds of the United States." [Union Pacific, accessed 02/04/22]

Union Pacific Railroad Fast Facts

(For Full Year 2020)

Route Miles	32,200
Employees	31,000

[Union Pacific, accessed 02/04/22]

Union Pacific Reported Collecting More Demurrage Revenue In 2021 With Its Increased Fees "More Than Offset[ting]" Its Lower Shipping Volume During The Supply Chain Crisis—In July 2021, The Company Was Asked To Provide Information As Part Of The Surface Transportation Board (STB) Chairman's Probe Into "'Sizeable'" Demurrage Fees.

January 2022: Union Pacific Reported Collecting More Demurrage Revenue In 2021 "After Seeing A 40% Increase In Container Dwell Times In Its Yards And A 20% Increase In The Time It Takes Shippers To Return Equipment." "In an emailed statement to Supply Chain Dive, Union Pacific said it collected more demurrage revenue in 2021 after seeing a 40% increase in container dwell times in its yards and a 20% increase in the time it takes shippers to return equipment in 2021." [SupplyChainDive, 01/12/22]

Union Pacific Increased Its Prices And Imposed Fuel Surcharges In Its Q4 2021. "Revenue grew 12% to $5.73 billion, which also surpassed Street forecasts, as it increased prices and imposed fuel surcharges in response to rising diesel prices." [Associated Press, 01/20/22]

July 2021: Union Pacific Increased Rates On Low-Volume Shippers To "Match The Record Amount Set Only A Year Ago." "Union Pacific Railroad (UP) will increase rates across hundreds of lanes in the western US and Mexico over the next two weeks, including another hike in surcharges out of California that will raise rates for low-volume shippers to match the record amount set only a year ago. UP said in a statement it will raise its surcharge on low-volume shippers out of California from $3,000 to $5,000 per container on loads that exceed contracted volume, effective Aug. 8." [Journal of Commerce, 07/29/21]

Union Pacific Also Saw A Positive Impact From Demurrage Fees, Including For Freight "Sitting On A Port Due To Congestion," According To An Independent Analysis. "The second positive impact is the demurrage fee, the charge for extended use of freight cars (e.g., sitting on a port due to congestion)." [Seeking Alpha, 01/17/22]

As Of January 2022, The Supply Chain Crisis Was "A Larger Positive Impact On Revenue Growth Than Negative Impact" For Union Pacific, According To An Independent Analysis. "Ongoing supply chain issues decrease transportation volume, and the decrease in volume could have the potential to negatively impact Union Pacific's revenue and profit. However, the supply chain disruption is actually creating a larger positive impact on revenue growth than negative impact." [Seeking Alpha, 01/17/22]

- **Union Pacific Saw A Positive Impact From Increased Freight Fees, Which "More Than Offset" Its Decreased Shipping Volume.** "The first positive impact is the increase in freight fee, which has more than offset the decrease in transporting volume so far." [Seeking Alpha, 01/17/22]

July 2021: Surface Transportation Board (STB) Chairman Martin J. Oberman Wrote To Union Pacific Southern And The Six Other Class I Railways Requesting More Information About Supply Chain Congestion And Complaints About Demurrage Fees. "Surface Transportation Board (STB) Chairman Martin J. Oberman has called on the CEOs of the seven North American Class I's to provide information on the extent of congestion at key U.S. container terminals and on their policies and practices for assessing container demurrage fees, citing reports of 'substantial charges being levied by the railroads for container storage at these terminals.'" [Railway Age, 07/23/21]

- **Oberman Said The STB Received "'Numerous Reports'" About Railways' "'Sizeable Storage Fees ('Demurrage') Some Customers Have Been Required To Pay In Order To Obtain Release Of Containers Bearing Their Shipments.'"** "In identical letters (see below), dated July 22, Oberman wrote that 'in recent months, the Board has received numerous reports related to the length of time that containers are being held in rail yards, and the sizeable storage fees ('demurrage') some customers have been required to pay in order to obtain release of containers bearing their shipments. These reports have come from shippers, both large and small, in addition to third-party logistics providers." [Railway Age, 07/23/21]

- **The Letter Was Addressed To Union Pacific And Other Railways.** "*Railway Age* provides the July 22, 2021, letter—submitted to Katie Farmer, BNSF; Keith Creel, Canadian Pacific; JJ Ruest, CN; James Foote, CSX; Patrick Ottensmeyer, Kansas City Southern; James Squires, Norfolk Southern; and Lance Fritz, Union Pacific—in its entirety below." [Railway Age, 07/23/21]

Union Pacific Touted "Records" For Lowering Its Operating Ratio, Which Fell 3.6 Percentage Points In Q4 2021 And 2.7 Points In FY 2021 Year-Over-Year.

Union Pacific Touted "Records For Operating Income, Operating Ratio, Net Income, And Earnings Per Share" In Its FY 2021. "2021 Full Year Summary Financial Results: Revenue Growth and Margin Improvement Drives Records for Operating Income, Operating Ratio, Net Income, and Earnings Per Share Full Year 2021 Compared to Adjusted Full Year 2020*" [Union Pacific Corporation, 01/20/22]

Union Pacific Touted "Records" In Its FY 2021 Operating Ratio And Other Metrics. "2021 Full Year Summary [...] Financial Results: Revenue Growth and Margin Improvement Drives Records for Operating Income, Operating Ratio, Net Income, and Earnings Per Share *Full Year 2021 Compared to Adjusted Full Year 2020** [...] Union Pacific's 57.2% operating ratio improved 130 basis points. Higher fuel prices negatively impacted the operating ratio by 140 basis points." [Union Pacific Corporation, 01/20/22]

Union Pacific Reduced Its Operating Ratio From 59.9% In Its FY 2020 To 57.2% In Its FY 2021:

Millions, Except Per Share Amounts and Percentages, For the Periods Ended December 31,	*4th Quarter*			*Full Year*		
	2021	*2020*	*%*	***2021***	*2020*	*%*
[...]						
Operating Ratio	**57.4%**	61.0%	(3.6)pts	**57.2%**	59.9%	(2.7)pts

[Union Pacific Corporation, 01/20/22]

Union Pacific's CEO Lauded FY 2021 As Its "'Most Profitable Year Ever,'" Due In Part To "'Core Pricing Gains'"—In Q4 2021, Its Net Profit Grew 24% To $1.71 Billion And Its FY 2021 Net Income Grew 16% To $6.5 Billion.

Union Pacific CEO Lance Fritz Touted The Company's FY 2021 As "'Its Most Profitable Year Ever,'" Due In Part To "'Core Pricing Gains.'" "'The Union Pacific team concluded its most profitable year ever in 2021. We produced double digit fourth quarter revenue growth by leveraging our great rail franchise to generate positive business mix and core pricing gains, despite ongoing global supply chain challenges that impacted volumes,' said Lance Fritz, Union Pacific chairman, president and chief executive officer." [Union Pacific Corporation, 01/20/22]

Union Pacific Touted "Records For Operating Income, Operating Ratio, Net Income, And Earnings Per Share" In Its FY 2021. "2021 Full Year Summary […] Financial Results: Revenue Growth and Margin Improvement Drives Records for Operating Income, Operating Ratio, Net Income, and Earnings Per Share Full Year 2021 Compared to Adjusted Full Year 2020*" [Union Pacific Corporation, 01/20/22]

Union Pacific Saw A 24% Increase In Profit To $1.71 Billion In Its Q4 2021, Despite Moving 4% Less Freight Due To Supply Chain Issues. "Union Pacific hauled in 24% more profit in the fourth quarter despite supply chain problems and weak auto production, but that is also compared with a period last year that included a one-time $278 million charge. The Omaha, Nebraska, railroad on Thursday posted earnings of $1.71 billion, or $2.66 per share, in the last three months of 2021." [Associated Press, 01/20/22]

- **Headline: Union Pacific Q4 profit up 24% despite weak rail volume** [Associated Press, 01/20/22]

- **Union Pacific Moved 4% Less Freight In Its Q4 2021.** "Union Pacific hauled 4% less freight in the fourth quarter as the computer chip shortage continued to hurt auto production and supply chain problems cribbed shipments of imported containers of goods." [Associated Press, 01/20/22]

Union Pacific's FY 2021 Net Income Was $6.5 Billion, 16% Higher Than Its FY 2020 Net Income Of $5.6 Billion. "Reported net income for the full year 2021 was $6.5 billion, or $9.95 per diluted share. These full year results compare to adjusted full year 2020 net income of $5.6 billion, or $8.19 per diluted share, which excludes the impairment charge." [Union Pacific Corporation, 01/20/22]

Union Pacific Spent $7.3 Billion On Stock Buybacks And $2.8 Billion On Shareholder Dividends In Its FY 2021, With $1.4 Billion On Stock Buybacks In Q4 2021 Alone.

In Its Q4 2021, Union Pacific Spent $1.4 Billion On Stock Buybacks And $7.3 Billion Total On Buybacks In Its FY 2021. "The company repurchased 5.8 million shares in fourth quarter 2021 at an aggregate cost of $1.4 billion." [Union Pacific Corporation, 01/20/22]

- **"The Company Repurchased 33.3 Million Shares In 2021 At An Aggregate Cost Of $7.3 Billion."** [Union Pacific Corporation, 01/20/22]

Union Pacific Spent $2.8 Billion On Shareholder Dividends In Its FY 2021:

Millions,	*Full Year*	
For the Periods Ended December 31,	***2021***	*2020*
[…]		
Dividends paid	**(2,800)**	(2,626)

[Union Pacific Corporation, 01/20/22]

Union Pacific Spent $3,776,030 Lobbying On Issues Related To Biden's Competition Order, The Surface Transportation Board (STB), Antitrust And Competition In General As Part Of The Total $4,056,030 It Spent On Lobbying In 2021.

Union Pacific Spent $3,776,030 Lobbying On Issues Related To The Surface Transportation Board, Biden's Executive Order On Competition, Antitrust Legislation, And Railroad Competition:

- **Q4 2021: Union Pacific Corporation Spent $936,169 Lobbying Congress, The Surface Transportation Board, And The Federal Railroad Administration On "Executive Order 14036 - On Promoting Competition In The American Economy (Sec. 5, N)," " S 225 - Competition And Antitrust Law Enforcement Reform Acct Of 2021," "Issues Related To The STB," And "Issues Related To Switching Operations" And Other Issues.** [Union Pacific Corporation LD-2 Lobbying Disclosure, 01/19/22]

- **Q3 2021: Union Pacific Corporation Spent $930,599 Lobbying Congress, The Surface Transportation Board, And The Federal Railroad Administration On "Executive Order 14036 - On Promoting Competition In The American Economy (Sec. 5, N)," " S 225 - Competition And Antitrust Law Enforcement Reform Acct Of 2021," "Issues Related To The STB," And "Issues Related To Switching Operations" And Other Issues.** [Union Pacific Corporation LD-2 Lobbying Disclosure, 10/20/21]

- **Q2 2021: Union Pacific Corporation Spent $842,021 Lobbying Congress, The Surface Transportation Board, And The Federal Railroad Administration On "Executive Order 14036 - On Promoting Competition In The American Economy (Sec. 5, N)," " S 225 - Competition And Antitrust Law Enforcement Reform Acct Of 2021," "Issues Related To The STB," And "Issues Related To Switching Operations" And Other Issues** [Union Pacific Corporation LD-2 Lobbying Disclosure, 07/20/21]

- **Q1 2021: Union Pacific Corporation Spent $777,241 Lobbying The Senate On " S 225 - Competition and Antitrust Law Enforcement Reform Acct of 2021"—As Well As Lobbying Congress, The Surface Transportation Board, And The Federal Railroad Administration On "Issues Related To The STB," Among Other Issues.** [Union Pacific Corporation LD-2 Lobbying Disclosure, 04/20/21]

- **Q3 2021: Union Pacific Paid $50,000 To Fierce Government Relations To Lobby Congress On "Railroad Competition Issues" And Other Matters.** [Fierce Government Relations LD-2 Lobbying Disclosure, 10/20/21]

- **Q4 2021: Union Pacific Paid $30,000 To Stewart Strategies And Solutions LLC To Lobby The U.S. House On Surface Transportation Board Regulations And Other Issues.** [Stewart Strategies And Solutions LLC, 01/20/22]

- **Q3 2021: Union Pacific Paid $30,000 To Stewart Strategies And Solutions LLC To Lobby The U.S. House On Surface Transportation Board Regulations.** [Stewart Strategies And Solutions LLC, 10/20/21]

- **Q4 2021: Union Pacific Paid $50,000 To Tiber Creek Group To Lobby Congress And The U.S. Transportation Department On " Issues pertaining to the Surface Transportation Board" And Other Issues.** [Tiber Creek Group, 01/16/22]

- **Q3 2021: Union Pacific Paid $50,000 To Tiber Creek Group To Lobby Congress And The U.S. Transportation Department On " Issues pertaining to the Surface Transportation Board" And Other Issues.** [Tiber Creek Group, 10/15/21]

- **Q4 2021: Union Pacific Paid $20,000 To Van Scoyoc Associates To Monitor "Surface Transportation Board Issues" And Other Matters.** [Van Scoyoc LD-2 Lobbying Disclosure, 01/19/22]

- **Q3 2021: Union Pacific Paid $20,000 To Van Scoyoc Associates To Monitor "Surface Transportation Board Issues" And Other Matters.** [Van Scoyoc LD-2 Lobbying Disclosure, 10/20/21]

- **Q2 2021: Union Pacific Paid $20,000 To Van Scoyoc Associates To Monitor "Surface Transportation Board Issues" And Other Matters.** [Van Scoyoc LD-2 Lobbying Disclosure, 07/20/21]

- **Q1 2021: Union Pacific Paid $20,000 To Van Scoyoc Associates To Monitor "Surface Transportation Board Issues" And Other Matters.** [Van Scoyoc LD-2 Lobbying Disclosure, 04/20/21]

Overall, Union Pacific Spent $4,056,030 On Lobbying In 2021:

Lobbying Entity	Lobbying Client	Report Quarter	Amount	Year
Fierce Government Relations	Union Pacific	4th Quarter - Report	$50,000.00	2021
Fierce Government Relations	Union Pacific	3rd Quarter - Report	$50,000.00	2021
Fierce Government Relations	Union Pacific	1st Quarter - Report	$50,000.00	2021
Fierce Government Relations	Union Pacific	2nd Quarter - Report	$50,000.00	2021
Stewart Strategies And Solutions, LLC	Union Pacific	4th Quarter - Report	$30,000.00	2021
Stewart Strategies And Solutions, LLC	Union Pacific	1st Quarter - Report (No Activity)	$30,000.00	2021
Stewart Strategies And Solutions, LLC	Union Pacific	2nd Quarter - Report	$30,000.00	2021
Stewart Strategies And Solutions, LLC	Union Pacific	3rd Quarter - Report	$30,000.00	2021
Tiber Creek Group	Union Pacific Railroad Company	4th Quarter - Termination	$50,000.00	2021
Tiber Creek Group	Union Pacific Railroad Company	2nd Quarter - Report	$50,000.00	2021
Tiber Creek Group	Union Pacific Railroad Company	Registration		2021
Tiber Creek Group	Union Pacific Railroad Company	3rd Quarter - Report	$50,000.00	2021
Tiber Creek Group	Union Pacific Railroad Company	1st Quarter - Report	$20,000.00	2021
Union Pacific Corporation	Union Pacific Corporation	4th Quarter - Report	$936,169.00	2021
Union Pacific Corporation	Union Pacific Corporation	3rd Quarter - Report	$930,599.00	2021
Union Pacific Corporation	Union Pacific Corporation	1st Quarter - Report	$777,241.00	2021
Union Pacific Corporation	Union Pacific Corporation	2nd Quarter - Report	$842,021.00	2021
Van Scoyoc Associates	Union Pacific	4th Quarter - Report	$20,000.00	2021
Van Scoyoc Associates	Union Pacific	3rd Quarter - Report	$20,000.00	2021
Van Scoyoc Associates	Union Pacific	1st Quarter - Report	$20,000.00	2021
Van Scoyoc Associates	Union Pacific	2nd Quarter - Report	$20,000.00	2021
		Total:	**$4,056,030**	

[Senate Lobbying Disclosure Database, accessed 02/04/22]

In 2021, Canadian National—Which Touted Gains From Demurrage Fees And A Record Low For Its Operating Ratio In Q4 2021—Increased Its Net Income By 37%, Boosted Its Stock Buybacks By 317%, And Spent Over $1 Million While Lobbying On Merger Issues.

Canadian National Was The Third Biggest Railroad Company In 2020 And Is "The Only Transcontinental Railway In North America" With A 19,600 Mile Rail Network.

Class I Railroad Canadian National Railway Was The Third Biggest U.S. Railroad Company In 2020, Based On Its Revenue Of $10.9 Billion. [Sounding Maps, accessed 02/11/22]

- **The Seven Class I Rail Companies Are BNSF, Canadian National Railway, Canadian Pacific Railway, CSX, Kansas City Southern Railway, And Union Pacific.** [American Farm Bureau Federation, 09/08/21]

Canadian National Is "The Only Transcontinental Railway In North America," With A 19,600 Mile Network That Spans Canada And Mid-America. "CN is a world-class transportation leader and the only transcontinental railway in North America. Our 19,600-mile network spans Canada and Mid-America, connecting three coasts: the Atlantic, the Pacific and the Gulf of Mexico." [Canadian National Railway Company, accessed 02/03/22]

- **Canadian National's Principal Executive Offices Are In Quebec.** "935 de La Gauchetiere Street West Montreal, Quebec Canada H3B 2M9 (514) 399-7091 (Address, including zip code, and telephone number including area code, of Registrant's principal executive offices)" [Canadian National Railway Company SEC Form 40-F, 02/01/22]

Canadian National Fought An "Often Bitter, High-Profile, Multibillion-Dollar Battle" To Acquire Another Class I Railroad But Was Unanimously Rejected By The STB Because It Would Have Created A "Mega-Railroad."

2021: Canadian National "Fought An Often Bitter, High-Profile, Multibillion-Dollar Battle" With Canadian Pacific To Acquire Kansas City Southern (KCS)—The Surface Transportation Board (STB) Unanimously Rejected Canadian National's Plan To Operate KCS Through A "'Voting Trust'" Because It Would Have Consolidated Too Many Routes Into A "Mega-Railroad." "CP and rival Canadian National Railway fought an often bitter, high-profile, multibillion-dollar battle in 2021 for the control of KCS, when the U.S. Surface Transportation Board rejected on a bipartisan 5-0 vote CN's plan to create a 'voting trust' to operate KCS during the merger process. The STB said in its decision that a CN-KCS merger would not create additional competition and would consolidate too many routes, in too much of the country under the control of one mega-railroad." [Transport Topics, 01/28/22]

- **"However, A Similar 'Voting Trust' Was Approved For The Merger Of The Two Smaller Railroads, CP And KCS."** [Transport Topics, 01/28/22]

- **Canadian Pacific Has Been In The Process Of Acquiring Kansas City Southern Railway For $25 Billion, Which Would ""Create The First Single-Line Rail Network Linking The U.S., Mexico And Canada."** "Canadian Pacific Railway Ltd. agreed to acquire Kansas City Southern in a transaction valued at about $25 billion that would create the first freight-rail network linking Mexico, the U.S. and Canada. The combination, which faces a lengthy regulatory review, is a long-term wager on an interconnected North American economy." [The Wall Street Journal, 03/21/21]

- **The Seven Class I Rail Companies Are BNSF, Canadian National Railway, Canadian Pacific Railway, CSX, Kansas City Southern Railway, And Union Pacific.** [American Farm Bureau Federation, 09/08/21]

Canadian National Defended Its Demurrage Fees As Being The Result Of "'Logistics Challenges'" After It Was Asked To Provide Information For The Surface Transportation Board (STB) Chairman's Probe Into "'Sizeable'" Demurrage Fees.

August 2021: Canadian National Defended Its Demurrage Fees To The STB By Claiming That Congestion Was Due To "'Logistics Challenges'" Among Intermodal Shippers. "In an emailed statement to Supply Chain Dive, Union Pacific said it collected more demurrage revenue in 2021 after seeing a 40% increase in container dwell times in its yards and a 20% increase in the time it takes shippers to return equipment in 2021. Canadian National made a similar claim in an August letter to the STB, in which it wrote congested yards were 'primarily the result of logistics challenges affecting intermodal shippers' access to, and decisions on how to allocate, the resources (chassis, draymen, loading dock space, etc.) needed to handle inbound intermodal shipments.'" [SupplyChainDive, 01/12/22]

July 2021: Surface Transportation Board (STB) Chairman Martin J. Oberman Wrote To Canadian National And The Six Other Class I Railways Requesting More Information About Supply Chain Congestion And Complaints About Demurrage Fees. "Surface Transportation Board (STB) Chairman Martin J. Oberman has called on the CEOs of the seven North American Class I's to provide information on the extent of congestion at key U.S. container terminals and on their policies and practices for assessing container demurrage fees, citing reports of 'substantial charges being levied by the railroads for container storage at these terminals.'" [Railway Age, 07/23/21]

- **Oberman Said The STB Received "'Numerous Reports'" About Railways' "'Sizeable Storage Fees ('Demurrage') Some Customers Have Been Required To Pay In Order To Obtain Release Of Containers Bearing Their Shipments.'"** "In identical letters (see below), dated July 22, Oberman wrote that 'in recent months, the Board has received numerous reports related to the length of time that containers are being held in rail yards, and the sizeable storage fees ('demurrage') some customers have been required to pay in order to obtain release of containers bearing their shipments. These reports have come from shippers, both large and small, in addition to third-party logistics providers." [Railway Age, 07/23/21]

- **The Letter Was Addressed To Canadian National And Other Railways.** "*Railway Age* provides the July 22, 2021, letter—submitted to Katie Farmer, BNSF; Keith Creel, Canadian Pacific; JJ Ruest, CN; James Foote, CSX; Patrick Ottensmeyer, Kansas City Southern; James Squires, Norfolk Southern; and Lance Fritz, Union Pacific—in its entirety below." [Railway Age, 07/23/21]

Canadian National Declared "The Best Measure Of Price Is... Price," As It Touted Gains From Demurrage Fees.

Canadian National's Q4 2021 And FY 2021 Financial Results Touted "Yield Gains Through Demurrage," "Driving Strong Price," And Stated, "The Best Measure Of Price Is... Price":

Yield gains through demurrage and storage

[Canadian National Railway Company, 01/25/22 (PDF)]

Driving strong price and yield

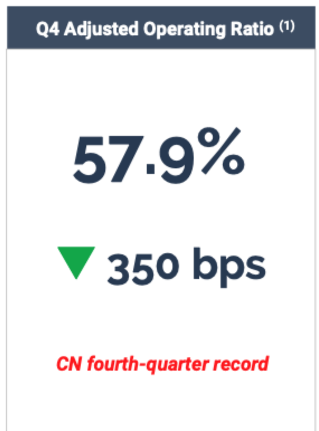
[Canadian National Railway Company, 01/25/22 (PDF)]

The best measure of price is... price

[Canadian National Railway Company, 01/25/22 (PDF)]

Canadian National Touted A "Fourth-Quarter Record" For Its Operating Ratio And Cut 3.1 Percentage Points From Its FY 2021 Operating Ratio.

Canadian National Touted A "Fourth-Quarter Record" For Its Operating Ratio And Also Reduced Its Operating Ratio From 61.4% In Its FY 2020 To 58.3% In Its FY 2021:



[Canadian National Railway Company, 01/25/22 (PDF)]

In millions of Canadian dollars, except EPS data, unless otherwise indicated	**2021**	2020	Change Favorable (Unfavorable)
[...]			
Operating ratio	**58.3%**	61.4%	3.1 pts

[Canadian National Railway Company, 01/25/22 (PDF)]

Canadian National's FY 2021 Net Income Increased About 37% To About $3.8 Billion.

In Its Q4 2021, Canadian National Reported "Outstanding" Results, With An 11% Increase In Its Operating Earnings And Projected Its Diluted Earnings Per Share To Increase By 20% In 2022.
"Canadian National also reported fourth-quarter earnings Tuesday, including a 3% increase in revenue and an 11% increase in operating earnings. It said it expects adjusted diluted earnings per share to increase 20% in 2022." [The Wall Street Journal, 01/25/22]

- "**Outstanding Q4 results demonstrating strong execution and momentum"** [Canadian National Railway Company, 01/25/22 (PDF)]

Canadian National's Q4 2021 Net Income Was $1.199 Billion CAD—About $946 Billion USD As Of February 2, 2022—While Its FY 2021 Net Income Was $4.892 Billion CAD, (~$3.86 Billion USD) About 37% More Than Its FY 2020 Net Income Of $3.562 Billion CAD:

	Three months ended December 31		Year ended December 31	
	2021	2020	**2021**	2020
[...]				
Net income *($ millions)*	**1,199**	1,021	**4,892**	3,562

[Canadian National Railway Company, 01/25/22 (PDF)]

- **Amounts Are In Canadian Dollars.** "Amounts expressed in Canadian dollars and prepared in accordance with United States generally accepted accounting principles (GAAP), unless otherwise noted." [Canadian National Railway Company, 01/25/22 (PDF)]

- **As Of February 3, 2022, 1 Canadian Dollar Was Equivalent To 0.7889 American Dollars.** [Yahoo! Finance, accessed 02/03/22]

Canadian National Increased Its Stock Buybacks By 317% To About $1.2 Billion In FY 2021, Increased Its Shareholder Dividend By 19% In Q1 2022, And Had About $3.3 Billion In Free Cash Flow In FY 2021.

Canadian National Spent $1.059 Billion CAD (~$835 Billion USD) On Stock Buybacks In Its Q4 2021 And $1.582 Billion CAD (~$1.248 Billion USD) In Its FY 2021, 317% More Than The $379 Million CAD ($299 Million USD) It Spent On Buybacks In FY 2020:

	Three months ended December 31		Year ended December 31	
	2021	2020	**2021**	2020
[...]				
Share repurchases *($ millions)*	**1,059**	–	**1,582**	379

[Canadian National Railway Company, 01/25/22 (PDF)]

- **Amounts Are In Canadian Dollars.** "Amounts expressed in Canadian dollars and prepared in accordance with United States generally accepted accounting principles (GAAP), unless otherwise noted." [Canadian National Railway Company, 01/25/22 (PDF)]

- **As Of February 3, 2022, 1 Canadian Dollar Was Equivalent To 0.7889 American Dollars.** [Yahoo! Finance, accessed 02/03/22]

Canadian National's Board Approved A 19% Increase To Its Quarterly Shareholder Dividend, Effective In Q1 2022. "The Company's Board of Directors approved a 19 per cent increase to CN's 2022 quarterly cash dividend, effective for the first quarter of 2022. This is the 26th consecutive year of dividend increases, demonstrating our confidence in the long- term financial health of the Company." [Canadian National Railway Company, 01/25/22 (PDF)]

Canadian National's FY 2021 Free Cash Flow Was $3.296 Billion CAD (~$2.60 Billion USD):

[Canadian National Railway Company, 01/25/22 (PDF)]

- **"Free Cash Flow (FCF) Represents The Cash A Company Generates After Accounting For Cash Outflows To Support Operations And Maintain Its Capital Assets."** [Investopedia, 12/04/21]

Canadian National Spent At Least $1,050,000 Lobbying On Merger And Acquisition Issues In 2021 And At Least $2.12 Million On Lobbying In Total In 2021.

Canadian National Railway Company Spent At Least $1,050,000 Lobbying On Issues Related To Merger And Acquisition And Other Issues In 2021:

- **Q4 2021: Canadian National Railway Company Spent $180,000 Lobbying Congress, The Surface Transportation Board, And The Federal Railroad Administration On " Proposed acquisition by CN of KCS," "Implementation Of CN's Acquisition Of The Major Portion Of The Elgin, Joliet & Eastern Railway Company" And Other Issues.** [Canadian National Railway Company LD-2 Lobbying Disclosure, 01/14/22]

- **Q3 2021: Canadian National Railway Company Spent $180,000 Lobbying Congress, The Surface Transportation Board, And The Federal Railroad Administration On " Proposed acquisition by CN of KCS," "Implementation Of CN's Acquisition Of The Major Portion Of The Elgin, Joliet & Eastern Railway Company" And Other Issues.** [Canadian National Railway Company LD-2 Lobbying Disclosure, 10/07/21]

- **Q2 2021: Canadian National Railway Company Spent $180,000 Lobbying Congress, The Surface Transportation Board, And The Federal Railroad Administration On " Proposed acquisition by CN of KCS," "Implementation Of CN's Acquisition Of The Major Portion Of The Elgin, Joliet & Eastern Railway Company" And Other Issues.** [Canadian National Railway Company LD-2 Lobbying Disclosure, 07/16/21]

- **Q1 2021: Canadian National Railway Company Spent $180,000 Lobbying Congress, The Surface Transportation Board, And The Federal Railroad Administration On "Implementation Of CN's Acquisition Of The Major Portion Of The Elgin, Joliet & Eastern Railway Company" And Other Issues.** [Canadian National Railway Company LD-2 Lobbying Disclosure, 04/15/21]

- **Q4 2021: Canadian National Railroad Paid $50,000 To BGR Government Affairs To Lobby Congress, The Surface Transportation Board, And The U.S. Transportation Department On "Mergers And Acquisitions" And Other Issues.** [BGR Government Affairs LD-2 Lobbying Disclosure, 01/20/22]

- **Q3 2021: Canadian National Railroad Paid $50,000 To BGR Government Affairs To Lobby Congress, The Surface Transportation Board, And The U.S. Transportation Department On "Mergers And Acquisitions" And Other Issues.** [BGR Government Affairs LD-2 Lobbying Disclosure, 10/20/21]

- **Q2 2021: Canadian National Railroad Paid $50,000 To BGR Government Affairs To Lobby Congress, The Surface Transportation Board, And The U.S. Transportation Department On "Mergers And Acquisitions" And Other Issues.** [BGR Government Affairs LD-2 Lobbying Disclosure, 07/20/21]

- **Q1 2021: Canadian National Railroad Paid $50,000 To BGR Government Affairs To Lobby Congress, The Surface Transportation Board, And The U.S. Transportation Department On "Mergers And Acquisitions" And Other Issues.** [BGR Government Affairs LD-2 Lobbying Disclosure, 04/20/21]

- **Q3 2021: Canadian National Railroad Paid $50,000 To Blank Rome Government Relations To Lobby Congress On "Issues Relating To CN And KC Railroad Proposed Merger" And "Informational Discussion The Rail Regulatory Policy Landscape."** [BGR Government Affairs LD-2 Lobbying Disclosure, 10/19/21]

- **Q2 2021: Canadian National Railroad Paid $80,000 To Blank Rome Government Relations To Lobby Congress On "Issues Relating To CN And KC Railroad Proposed Merger."** [BGR Government Affairs LD-2 Lobbying Disclosure, 04/20/21]

Canadian National Spent $2,120,000 On Lobbying In 2021:

Lobbying Entity	Lobbying Client	Report Quarter	Amount	Year
Bgr Government Affairs	Canadian National Railroad	4th Quarter - Report	$50,000.00	2021
Bgr Government Affairs	Canadian National Railroad	1st Quarter - Report	$50,000.00	2021
Bgr Government Affairs	Canadian National Railroad	3rd Quarter - Report	$50,000.00	2021
Bgr Government Affairs	Canadian National Railroad	2nd Quarter - Report	$50,000.00	2021
Blank Rome Government Relations	Canadian National Railway	4th Quarter - Report	$50,000.00	2021
Blank Rome Government Relations	Canadian National Railway	2nd Quarter - Report	$80,000.00	2021
Blank Rome Government Relations	Canadian National Railway	Registration		2021
Blank Rome Government Relations	Canadian National Railway	3rd Quarter - Report	$50,000.00	2021
Canadian National Railway Company	Canadian National Railway Company	4th Quarter - Report	$180,000.00	2021
Canadian National Railway Company	Canadian National Railway Company	3rd Quarter - Report	$180,000.00	2021
Canadian National Railway Company	Canadian National Railway Company	1st Quarter - Report	$180,000.00	2021
Canadian National Railway Company	Canadian National Railway Company	2nd Quarter - Report	$180,000.00	2021
Chambers, Conlon & Hartwell, LLC	Canadian National Railway	1st Quarter - Termination	$80,000.00	2021
Dentons Us LLP	Canadian National Railway Company	3rd Quarter - Report	$20,000.00	2021
Dentons Us LLP	Canadian National Railway Company	2nd Quarter - Report	$40,000.00	2021
Dentons Us LLP	Canadian National Railway Company	4th Quarter - Report (No Activity)		2021
Dentons Us LLP	Canadian National Railway Company	Registration		2021
Envision Strategy	Canadian National Railway Company	1st Quarter - Report	$15,000.00	2021
Envision Strategy	Canadian National Railway Company	3rd Quarter - Report	$20,000.00	2021
Envision Strategy	Canadian National Railway Company	2nd Quarter - Report	$20,000.00	2021
Envision Strategy	Canadian National Railway Company	4th Quarter - Report	$20,000.00	2021
Foley & Lardner LLP	Canadian National Railway	Registration - Amendment		2021
Foley & Lardner LLP	Canadian National Railway	3rd Quarter - Report (No Activity)		2021
Foley & Lardner LLP	Canadian National Railway	4th Quarter - Termination	$15,000.00	2021
Nelson Mullins Riley & Scarborough	Canadian National Railway	4th Quarter - Report	$150,000.00	2021

Nelson Mullins Riley & Scarborough	Canadian National Railway	Registration		2021
Nelson Mullins Riley & Scarborough	Canadian National Railway	3rd Quarter - Report	$150,000.00	2021
Nelson Mullins Riley & Scarborough	Canadian National Railway	2nd Quarter - Report	$100,000.00	2021
Norton Rose Fulbright Us LLP	Canadian National Railway	3rd Quarter - Termination	$110,000.00	2021
Norton Rose Fulbright Us LLP	Canadian National Railway	2nd Quarter - Report	$100,000.00	2021
Norton Rose Fulbright Us LLP	Canadian National Railway	Registration		2021
Tai Ginsberg & Associates, LLC	Blank Rome Government Relations, On Behalf Of Canadian National Railway	2nd Quarter - Report	$30,000.00	2021
Tai Ginsberg & Associates, LLC	Blank Rome Government Relations, On Behalf Of Canadian National Railway	Registration		2021
Tai Ginsberg & Associates, LLC	Blank Rome Government Relations, On Behalf Of Canadian National Railway	4th Quarter - Report	$30,000.00	2021
Tai Ginsberg & Associates, LLC	Blank Rome Government Relations, On Behalf Of Canadian National Railway	3rd Quarter - Report	$30,000.00	2021
Tai Ginsberg & Associates, LLC	Chambers, Conlon & Hartwell, LLC, On Behalf Of Canadian National Railway Company	2nd Quarter - Report	$30,000.00	2021
Tai Ginsberg & Associates, LLC	Chambers, Conlon & Hartwell, LLC, On Behalf Of Canadian National Railway Company	2nd Quarter - Termination	$30,000.00	2021
Tai Ginsberg & Associates, LLC	Chambers, Conlon & Hartwell, LLC, On Behalf Of Canadian National Railway Company	1st Quarter - Report	$30,000.00	2021
			Total: $2,120,000.00	

[Senate Lobbying Disclosure Database, accessed 02/04/22]

CSX—Which Credited Higher Fees For Its Profits And Cut Its Operating Ratio In 2021—Saw A 37% Jump In Net Income, Increased Stock Buybacks By 233%, And Spent Over $2.3 Billion While Lobbying On Competition Issues, Including Biden's Executive Order.

Class I Railway CSX Was The Fourth Biggest Railroad Company In 2020 And "Nearly Two-Thirds Of Americans Live Within Its Service Territory, Which Includes About 20,000 Route Miles In 23 States.

Class I Railway CSX Was The Fourth Biggest U.S. Railroad Company In 2020, Based On Its Revenue Of $10.6 Billion. [Sounding Maps, accessed 02/11/22]

- **The Seven Class I Rail Companies Are BNSF, Canadian National Railway, Canadian Pacific Railway, CSX, Kansas City Southern Railway, And Union Pacific.** [American Farm Bureau Federation, 09/08/21]

CSX's Network Includes "About 20,000 Route Miles Of Track In 23 States, The District Of Columbia And The Canadian Provinces Of Ontario And Quebec." "CSX Corporation, together with its subsidiaries based in Jacksonville, Fla., is one of the nation's leading transportation suppliers. The company's rail and intermodal businesses provide rail-based transportation services including traditional rail service and the transport of intermodal containers and trailers. Overall, the CSX Transportation network encompasses about 20,000 route miles of track in 23 states, the District of Columbia and the Canadian provinces of Ontario and Quebec." [CSX Corporation, accessed 02/04/22]

"Nearly Two-Thirds Of Americans Live Within CSX's Service Territory." "Our transportation network serves some of the largest population centers in the nation. Nearly two-thirds of Americans live within CSX's service territory." [CSX Corporation, accessed 02/04/22]

CSX Credited Higher Demurrage Fees For Driving Income And Revenue While It Complained That Eliminating Or Capping Demurrage Fees Would Make It "'A Cost-Free Storage Facility'" For Freight.

In Its Q4 2021, CSX Credited "Higher Demurrage" Fees For Contributing To Its "Revenue Gains Across All Major Lines Of Business." "Revenue gains across all major lines of business led by coal and intermodal growth [...] Other Revenue increased due to higher intermodal storage and equipment usage revenue as well as higher demurrage and affiliate revenue." [CSX, 01/20/22]

In Its Q3 2021, CSX's CFO "Told Investors Demurrage And Related Fees Were Among The Biggest Drivers Of Income." "Sean Pelkey, acting CFO of CSX, told investors demurrage and related fees were among the biggest drivers of income for CSX in Q3, for example." [SupplyChainDive, 01/12/22]

CSX Complained To The STB That Eliminating Or Capping Demurrage Fees Would Make The Company "'A Cost-Free Storage Facility During Times Of High Demand.'" "'If demurrage were eliminated or capped, making storage effectively free at a certain point, we would stand-out as a cost-free storage facility during times of high demand and our terminals would quickly reach capacity,' CSX wrote in a letter to the STB." [SupplyChainDive, 01/12/22]

In January 2022, CSX Said Demurrage Fees "Helped Keep The Network Fluid In An Environment Where Shippers Are Facing Scarce Storage Space And Labor Challenges." "In a statement to Supply Chain Dive, CSX spokesperson Cindy Schild said the company expects demurrage revenue to decrease as supply chain congestion eases, but noted the fees have helped keep the network fluid in an environment where shippers are facing scarce storage space and labor challenges. 'CSX's preference is that our terminals and yards operate with consistent and efficient throughput without the need to charge demurraage, but it's nonetheless a vital and effective way of furthering fluidity within our terminals and throughout our rail network,' Schild said." [SupplyChainDive, 01/12/22]

In Its FY 2020, CSX Lowered Its Operating Ratio By 3.5 Percentage Points From FY 2021.

CSX Lowered Its Operating Ratio From 58.8% In Its FY 2020 To 55.3% In Its FY 2021:

	Quarters Ended				Years Ended			
	Dec. 31, 2021 [(a)]	Dec. 31, 2020	*$ Change*	*% Change*	**Dec. 31, 2021** [(a)]	Dec. 31, 2020	*$ Change*	*% Change*
			[...]					
Operating Ratio	**60.1 %**	57.0 %			**55.3 %**	58.8 %		

[CSX Corp., 01/20/22]

CSX Has Been Asked To Provide Information For The Surface Transportation Board (STB) Chairman's Probe Into "'Sizeable'" Demurrage Fees.

July 2021: STB Chairman Martin J. Oberman Wrote To CSX And The Six Other Class I Railways Requesting More Information About Supply Chain Congestion And Complaints About Demurrage Fees. "Surface Transportation Board (STB) Chairman Martin J. Oberman has called on the CEOs of the seven North American Class I's to provide information on the extent of congestion at key U.S. container terminals and on their policies and practices for assessing container demurrage fees, citing reports of 'substantial charges being levied by the railroads for container storage at these terminals.'" [Railway Age, 07/23/21]

- **Oberman Said The STB Received "'Numerous Reports'" About Railways' "'Sizeable Storage Fees ('Demurrage') Some Customers Have Been Required To Pay In Order To Obtain Release Of Containers Bearing Their Shipments.'"** "In identical letters (see below), dated July 22, Oberman wrote that 'in recent months, the Board has received numerous reports related to the length of time that containers are being held in rail yards, and the sizeable storage fees ('demurrage') some customers have been required to pay in order to obtain release of containers bearing their shipments. These reports have come from shippers, both large and small, in addition to third-party logistics providers." [Railway Age, 07/23/21]

- **The Letter Was Addressed To Canadian Pacific And Other Railways.** "*Railway Age* provides the July 22, 2021, letter—submitted to Katie Farmer, BNSF; Keith Creel, Canadian Pacific; JJ Ruest, CN; James Foote, CSX; Patrick Ottensmeyer, Kansas City Southern; James Squires, Norfolk Southern; and Lance Fritz, Union Pacific—in its entirety below." [Railway Age, 07/23/21]

CSX's Q4 2021 Net Earnings Jumped 23% To $760 Million While Its Total FY 2021 Net Earnings Jumped 37% To $3.78 Billion Year-Over-Year.

CSX Corporation's FY 2021 Net Earnings Were $3.78 Billion, 37% Higher Than Its FY 2020 Net Earnings Of $1.02 Billion:

	Quarters Ended				Years Ended			
	Dec. 31, 2021 [(a)]	Dec. 31, 2020	*$ Change*	*% Change*	**Dec. 31, 2021** [(a)]	Dec. 31, 2020	*$ Change*	*% Change*
			[...]					
Net Earnings	**$ 934**	$ 760	*$ 174*	*23 %*	**$ 3,781**	$ 2,765	*$ 1,016*	*37 %*

[CSX Corp., 01/20/22]

- **Net Earnings Are Also Known As Net Income.** "Net income (NI), also called net earnings, is calculated as sales minus cost of goods sold, selling, general and administrative expenses, operating expenses, depreciation, interest, taxes, and other expenses. [...] This number appears on a company's income statement and is also an indicator of a company's profitability." [Investopedia, accessed 02/03/22]

CSX's Q4 2021 Net Earnings Of $934 Million Were 23% Higher Than Its Q4 2021 Net Earnings Of $760 Million. "CSX Corp. (NASDAQ: CSX) today announced fourth quarter 2021 net earnings of $934 million, or $0.42 per share, compared to $760 million, or $0.33 per share in the same period last year." [CSX Corp., 01/20/22]

In FY 2021, CSX Spent $2.89 Billion On Stock Buybacks—A 233% Increase Year-Over-Year—And $839 Million On Shareholder Dividends.

In Its FY 2021, CSX Corporation Spent $2.89 Billion On Stock Buybacks And $839 Million On Shareholder Dividends—CSX's Buybacks Increased 233% From Its FY 2020:

	Years Ended	
	Dec. 31, 2021 [(a)]	Dec. 31, 2020
[...]		
Shares Repurchased [(g)]	**(2,886)**	(867)
Dividends Paid	**(839)**	(797)

[CSX Corp., 01/20/22]

CSX Spent $2,338,222 Lobbying On Biden's Competition Order, User Fees, "Rail Economic Regulation, Mergers, And Other Issues In 2021 As Part Of The Over $3.4 Million It Spent On Lobbying That Year.

In 2021, CSX Spent $2,338,222 Lobbying On Biden's Competition Executive Order, User Fees, "Rail Economic Regulation, Mergers And Acquisition, And Other Issues:

- **Q4 2021: CSX Corporation Spent $400,000 Lobbying Congress And The Surface Transportation Board On "Issues Related To Modal Equity, Transportation Funding And User Fees," "Rail Economic Regulation," And Other Matters.** [CSX Corporation LD-2 Lobbying Disclosure, 01/20/22]

- **Q3 2021: CSX Corporation Spent $523,000 Lobbying Congress And The Surface Transportation Board On "Issues Related To Modal Equity, Transportation Funding And User Fees," "Issues Related To Rail Economic Regulation," And Other Matters.** [CSX Corporation LD-2 Lobbying Disclosure, 10/20/21]

- **Q2 2021: CSX Corporation Spent $535,222 Lobbying Congress And The Surface Transportation Board On "Issues related to modal equity, transportation funding and user fees," "Issues related to rail economic regulation," And Other Matters.** [CSX Corporation LD-2 Lobbying Disclosure, 07/20/21]

- **Q1 2021: CSX Corporation Spent $600,000 Lobbying Congress, The U.S. Transportation Department, And Federal Railroad Administration On "Issues Related To Modal Equity, Transportation Funding And User Fees" And Other Matters.** [CSX Corporation LD-2 Lobbying Disclosure, 04/20/21]

- **Q4 2021: CSX Corporation Paid $70,000 To The Smith-Free Group LLC To Lobby Congress On "Discussions Involving Executive Order 14036 Promoting Competition In The American Economy," "Discussions Involving Railroad Mergers And Acquisitions," And Other Issues.** [Smith-Free Group LLC LD-2 Lobbying Disclosure, 01/19/22]

- **Q4 2021: CSX Corporation Paid $70,000 To The Smith-Free Group LLC To Lobby Congress On "Discussions Involving Executive Order 14036 Promoting Competition In The American Economy," "Discussions Involving Railroad Mergers And Acquisitions," And Other Issues.** [Smith-Free Group LLC LD-2 Lobbying Disclosure, 10/19/21]

- **Q2 2021: CSX Corporation Paid $70,000 To The Smith-Free Group LLC To Lobby Congress On Discussions Involving Railroad Mergers."** [Smith-Free Group LLC LD-2 Lobbying Disclosure, 07/16/21]

- **Q1 2021: CSX Corporation Paid $70,000 To The Smith-Free Group LLC To Lobby Congress On Discussions Involving Railroad Mergers."** [Smith-Free Group LLC LD-2 Lobbying Disclosure, 04/19/21]

CSX Corporation Spent A Total Of $3,410,222 On Lobbying In 2021:

Lobbying Entity	Lobbying Client	Report Quarter	Amount	Year
CSX Corporation	CSX Corporation	1st Quarter - Amendment	$600,000.00	2021
CSX Corporation	CSX Corporation	3rd Quarter - Report	$523,000.00	2021
CSX Corporation	CSX Corporation	2nd Quarter - Amendment	$535,222.00	2021

CSX Corporation	CSX Corporation	2nd Quarter - Report	~~$535,222.00~~*	2021
CSX Corporation	CSX Corporation	1st Quarter - Report	$600,000.00	2021
CSX Corporation	CSX Corporation	4th Quarter - Report	$400,000.00	2021
Hunton Andrews Kurth LLP (Formerly Hunton & Williams LLP)	CSX Corporation	2nd Quarter - Report (No Activity)		2021
Hunton Andrews Kurth LLP (Formerly Hunton & Williams LLP)	CSX Corporation	1st Quarter - Report (No Activity)		2021
The Duberstein Group Inc.	CSX Corporation	4th Quarter - Report	$100,000.00	2021
The Duberstein Group Inc.	CSX Corporation	3rd Quarter - Report	$100,000.00	2021
The Duberstein Group Inc.	CSX Corporation	2nd Quarter - Report	$100,000.00	2021
The Duberstein Group Inc.	CSX Corporation	1st Quarter - Report	$100,000.00	2021
The Fiorentino Group	CSX Corporation	3rd Quarter - Report (No Activity)	$18,000.00	2021
The Fiorentino Group	CSX Corporation	2nd Quarter - Report	$18,000.00	2021
The Fiorentino Group	CSX Corporation	1st Quarter - Report	$18,000.00	2021
The Fiorentino Group	CSX Corporation	4th Quarter - Report (No Activity)	$18,000.00	2021
The Smith-Free Group, LLC	CSX Corporation	4th Quarter - Report	$70,000.00	2021
The Smith-Free Group, LLC	CSX Corporation	3rd Quarter - Report	$70,000.00	2021
The Smith-Free Group, LLC	CSX Corporation	1st Quarter - Report	$70,000.00	2021
The Smith-Free Group, LLC	CSX Corporation	2nd Quarter - Report	$70,000.00	2021
			Total: $3,410,222.00	

**Total Excludes Reports That Have Been Replaced By Amended Reports*

[Senate Lobbying Disclosure Database, accessed 02/04/22]

Norfolk Southern—Which Increased Freight Rates While Touting An "All-Timer Record" Low For Its Operating Ratio In 2021—Saw Net Income Surge 27%, Increased Stock Buybacks By 143%, And Spent $1.8 Million While Lobbying On Antitrust Issues In 2021.

Class I Railway Norfolk Southern Was The Fifth Biggest U.S. Railroad Company In 2020, Operating About 19,300 Route Miles In 22 States And The District Of Columbia.

Norfolk Southern Was The Fifth Biggest North American Railroad Company In 2020, Operating In 22 Eastern States Plus The District Of Columbia. "Norfolk Southern is one of the nation's largest railroads, and it operates about 19500 miles (31382.21 kilometers) of track in 22 Eastern states and the District of Columbia." [ABC News, 01/26/22]

Norfolk Southern Was The Fifth Biggest U.S. Railroad Company In 2020, Based On Its Revenue Of $9.79 Billion. [Sounding Maps, accessed 02/11/22]

- **The Seven Class I Rail Companies Are BNSF, Canadian National Railway, Canadian Pacific Railway, CSX, Kansas City Southern Railway, And Union Pacific.** [American Farm Bureau Federation, 09/08/21]

Norfolk Southern Operates About "19,300 Route Miles In 22 States And The District Of Columbia." "Norfolk Southern Corporation (NYSE: NSC) is one of the nation's premier transportation companies. Its Norfolk Southern Railway Company subsidiary operates approximately 19,300 route miles in 22 states and the District of Columbia, serves every major container port in the eastern United States, and provides efficient connections to other rail carriers." [Norfolk Southern, accessed 02/04/22]

Norfolk Southern Not Only Had a "Fourth-Quarter Record" For Its Operating Ratio In Q4 2021 But Also "An All-Time Record" For Operating Ratio In Its Full FY 2021…

Norfolk Southern Touted Operating Ratio Records For Its Q4 2021 And FY 2021—FY 2021 Was "An All-Time Record" For The Company. "Norfolk Southern Corporation (NYSE: NSC) today reported fourth-quarter and full-year 2021 financial results which included fourth-quarter and full-year records for income from railway operations and operating ratio." [Norfolk Southern Corporation, 01/26/22]

- **Norfolk Southern's Q4 2021 Operating Ratio Was "A Fourth-Quarter Record."** "Fourth-quarter summary [...] The railway operating ratio was 60.4%, a fourth-quarter record." [Norfolk Southern Corporation, 01/26/22]

- **Norfolk Southern's FY 2021 Operating Ratio Was "An All-Time Record And An Improvement Of 920 Basis Points Over 2020."** "2021 summary [...] Railway operating ratio was 60.1%, an all-time record and an improvement of 920 basis points over 2020." [Norfolk Southern Corporation, 01/26/22]

…All While Its CEO Touted Cutting Its Operating Ratio As Part Of Its "Industry-Leading Total Shareholder Return."

January 2022: Norfolk Southern's CEO Said The Company "Reduced [Its] Operating Ratio By 530 Basis Points" In The Previous Three Years As Part Of Its "Industry-Leading Total Shareholder Return." "Jim Squires -- Chairman and Chief Executive Officer [...] In the past three years, we've produced industry-leading total shareholder return. We've grown EPS by 27%, reduced our operating ratio by 530 basis points and returned nearly $10 billion back to our shareholders in the form of share repurchases and dividends." [The Motley Fool, 01/26/22]

Norfolk Southern Enjoyed "Favorable Price Conditions" And Increased Rates As It Saw Profit Increase 13% To $760 Million In Its Q4 2021—Even As Its Freight Volume Fell.

Norfolk Southern's Chief Marketing Officer Credited "Favorable Price Conditions" And Strong Demand For An 11% Increase In Q4 2021 Revenue. "Ed Elkins -- Chief Marketing Officer [...] Total revenue improved 11% year over year to $2.9 billion as strong demand and favorable price conditions more than offset the 4% volume decline in the fourth quarter." [The Motley Fool, 01/26/22]

Norfolk Southern Saw "Record Revenue Per Unit Less Fuel" And A 15% Increase In Revenue Per Unit Due To "Pricing And Strength Across All Markets." "Volume was impacted by the continuation of the extraordinary global supply chain disruptions and slower network velocity. Pricing and strength across all markets contributed to the 15% increase in revenue per unit, and we reached record revenue per unit less fuel across all of our markets." [The Motley Fool, 01/26/22]

Norfolk Southern Also Saw "Record Intermodal Revenue," Which Increased 14% In Its Q4 2021 Due In Part To "Price Gains." "Ed Elkins -- Chief Marketing Officer [...] But despite these headwinds, we achieved record intermodal revenue in the quarter, up 14% year over year, and that was driven by increased fuel revenue, storage revenue, and price gains." [The Motley Fool, 01/26/22]

In Its Q4 2021, Norfolk Southern Saw A 13% Profit Increase To $760 Million Due To Increased Rates, Despite A Decline In Its Cargo Volume. "Norfolk Southern railroad delivered 13% greater profit in the fourth quarter even though the amount of cargo it transported declined because it was able to raise rates. The Atlanta-based company said it earned $760 million, or $3.12 per share, in the quarter. That's up from $671 million, or $2.64 per share, a year earlier." [ABC News, 01/26/22]

- **Norfolk Southern Moved 4% Fewer Shipments In Its Q4 2021.** "Norfolk Southern said it hauled 4% fewer shipments as auto production continued to be hurt by the ongoing shortage of computer chips and supply chain challenges slowed shipments of containers of imported and domestic goods." [ABC News, 01/26/22]

May 2021: As Railways Cut The Amount Of Time Before Imposing Demurrage Fees On Shippers, Norfolk Southern "Tightened [Its] Free Time Clocks." "In recent years, railroads have reduced how much free time containers can stay at the terminal before storage fees kick in, arguing such moves are needed to increase cargo flow for all users. Norfolk Southern Railway tightened free time clocks in May to 'Day of Notification' plus 24 hours from 'Day of Notification' plus 48 hours at all Tier 1 terminals for ocean containers, and BNSF Logistics Park Chicago will become a Tier 1 terminal on Aug. 2." [Journal of Commerce, 07/23/21]

Norfolk Southern Has Been Asked To Provide Information For The STB Chairman's Probe Into "'Sizeable'" Demurrage Fees.

July 2021: Surface Transportation Board (STB) Chairman Martin J. Oberman Wrote To Norfolk Southern And The Six Other Class I Railways Requesting More Information About Supply Chain Congestion And Complaints About Demurrage Fees. "Surface Transportation Board (STB) Chairman Martin J. Oberman has called on the CEOs of the seven North American Class I's to provide information on the extent of congestion at key U.S. container terminals and on their policies and practices for assessing container demurrage fees, citing reports of 'substantial charges being levied by the railroads for container storage at these terminals.'" [Railway Age, 07/23/21]

- **Oberman Said The STB Received "'Numerous Reports'" About Railways' "'Sizeable Storage Fees ('Demurrage') Some Customers Have Been Required To Pay In Order To Obtain Release Of Containers Bearing Their Shipments.'"** "In identical letters (see below), dated July 22, Oberman wrote that 'in recent months, the Board has received numerous reports related to the length of time that containers are being held in rail yards, and the sizeable storage fees ('demurrage') some customers have been required to pay in order to obtain release of containers bearing their shipments. These reports have come from shippers, both large and small, in addition to third-party logistics providers." [Railway Age, 07/23/21]

- **The Letter Was Addressed To Norfolk Southern And Other Railways.** "*Railway Age* provides the July 22, 2021, letter—submitted to Katie Farmer, BNSF; Keith Creel, Canadian Pacific; JJ Ruest, CN; James Foote, CSX; Patrick Ottensmeyer, Kansas City Southern; James Squires, Norfolk Southern; and Lance Fritz, Union Pacific—in its entirety below." [Railway Age, 07/23/21]

Norfolk Southern's FY 2021 Income "Surged 27% To $3 Billion" In Its FY 2021, Even Though Freight Volume Declined In Its Q4 2021.

Headline: Norfolk Southern railroad's Q4 profit up 13% on higher rates [ABC News, 01/26/22]

Norfolk Southern's FY 2021 Income "Surged 27% To $3 Billion," From Its FY 2020 Income Of $2.37 Billion. "For the year, income surged 27% to $3 billion, or $12.11 a share compared with an adjusted $2.37 billion, adjusted $9.25. The railroad said the 2020 adjusted numbers reflected the sale of 703 locomotives it deemed as excess and were no longer needed for its ongoing operations." [Transport Topics, 01/27/22]

Norfolk Southern Had A "Record" Q4 2021 And FY 2021, With A 13% Increase In Its Profit In Its Q4 2021 Even Though Its Freight Volume Declined. "Norfolk Southern Corp. reported record fourth-quarter and full-year net income from railway operations and operating ratio when the Class I railroad released its results Jan. 26. The Atlanta-based company said it delivered an overall 13% increase in profit in the final three months of the year, even as the amount of freight it transported declined." [Transport Topics, 01/27/22]

Norfolk Southern's Railway Operations Income Saw "A Fourth-Quarter Record Of $1.1 Billion, An Increase Of 15%, Or $145 Million." "Income from railway operations was a fourth-quarter record of $1.1 billion, an increase of 15%, or $145 million, year-over-year." [Norfolk Southern Corporation, 01/26/22]

- **Norfolk Southern's Q4 2021 Earnings Were $760 Million.** "Earnings climbed to $760 million, or $3.12 a share, compared with $671 million, $2.64, in 2020. The gain is attributed, in part, to higher rates and more efficient operations." [Transport Topics, 01/27/22]

In Its FY 2021, Norfolk Southern Increased Its Stock Buybacks By 143% To $3.4 Billion In And Its Shareholder Dividends 7% To Over $1 Billion—Its CEO Has Also Touted Returning Almost $10 Billion To Shareholders In The Three Years Prior To 2022.

Norfolk Southern Repurchased $3.4 Billion In Stock In 2021, 143% Higher Than The $1.4 Billion It Spent On Repurchases In 2020. "We repurchased and retired 12.7 million and 7.4 million shares of common stock under our stock repurchase programs in 2021 and 2020, respectively, at a cost of $3.4 billion and $1.4 billion, respectively." [Norfolk Southern Corporation, accessed 02/04/22]

Norfolk Southern Spent $1.028 Billion On Shareholder Dividends In Its FY 2021, 7% Higher Than The $960 Million It Spent On Dividends In Its FY 2020:

	Years Ended December 31, 2021	2020
[...]		
Dividends	(1,028)	(960)

[Norfolk Southern Corporation, accessed 02/04/22]

Norfolk Southern's CEO Touted "Industry-Leading Total Shareholder Return" In The Three Years Prior To November 2021, Returning Almost $10 Billion To Shareholders Through Dividends And Stock Buybacks. "Jim Squires -- Chairman and Chief Executive Officer [...] In the past three years, we've produced industry-leading total shareholder return. We've grown EPS by 27%, reduced our operating ratio by 530 basis points and returned nearly $10 billion back to our shareholders in the form of share repurchases and dividends." [The Motley Fool, 11/26/22]

Norfolk Southern Has Spent At Least $1.8 Million While Lobbying On Antitrust And Economic Regulation Issues And A Total Of Over $2.25 Million On Lobbying In 2021.

Norfolk Southern Has Spent At Least $1,800,000 Lobbying On Antitrust, Railroad Economic Regulation, And Other Issues In 2021:

- **Q4 2021: Norfolk Southern Corporation Spent $530,000 Lobbying Congress, The Surface Transportation Board, And The Federal Railroad Administration On "Issues Related To Railroad**

Economic And Antitrust Regulations" And Other Issues. [Norfolk Southern Corporation LD-2 Lobbying Disclosure, 01/20/22]

- **Q3 2021: Norfolk Southern Corporation Spent $360,000 Lobbying Congress, The Surface Transportation Board, And The Federal Railroad Administration On "Issues Related To Railroad Economic And Antitrust Regulations" And Other Issues.** [Norfolk Southern Corporation LD-2 Lobbying Disclosure, 10/20/21]

- **Q2 2021: Norfolk Southern Corporation Spent $360,000 Lobbying Congress, The Surface Transportation Board, And The Federal Railroad Administration On "Issues Related To Railroad Economic And Antitrust Regulations" And Other Issues.** [Norfolk Southern Corporation LD-2 Lobbying Disclosure, 07/20/21]

- **Q1 2021: Norfolk Southern Corporation Spent $350,000 Lobbying Congress, The Surface Transportation Board, And The Federal Railroad Administration On "Issues Related To Railroad Economic And Antitrust Regulations" And Other Issues.** [Norfolk Southern Corporation LD-2 Lobbying Disclosure, 04/20/21]

- **Q4 2021: Norfolk Southern Corporation Paid $50,000 To Crossroads Strategies LLC To Lobby Congress On "Rail Antitrust" And Other Issues.** [Norfolk Southern Corporation LD-2 Lobbying Disclosure, 01/19/22]

- **Q3 2021: Norfolk Southern Corporation Paid $50,000 To Crossroads Strategies LLC To Lobby Congress On "Rail Antitrust" And Other Issues.** [Norfolk Southern Corporation LD-2 Lobbying Disclosure, 10/20/21]

- **Q2 2021: Norfolk Southern Corporation Paid $50,000 To Crossroads Strategies LLC To Lobby Congress On "Rail Antitrust" And Other Issues.** [Norfolk Southern Corporation LD-2 Lobbying Disclosure, 07/20/21]

- **Q1 2021: Norfolk Southern Corporation Paid $50,000 To Crossroads Strategies LLC To Lobby Congress On "Rail Antitrust" And Other Issues.** [Norfolk Southern Corporation LD-2 Lobbying Disclosure, 04/19/21]

Norfolk Southern Has Spent At Least $2,250,000 On Lobbying In 2021:

Lobbying Entity	Lobbying Client	Report Quarter	Amount	Year
Alignment Government Strategies	Norfolk Southern	3rd Quarter - Report	$20,000.00	2021
Alignment Government Strategies	Norfolk Southern	4th Quarter - Report	$20,000.00	2021
Alignment Government Strategies	Norfolk Southern	1st Quarter - Report	$20,000.00	2021
Alignment Government Strategies	Norfolk Southern	2nd Quarter - Report	$20,000.00	2021
Crossroads Strategies, LLC	Norfolk Southern Corporation	1st Quarter - Report	$50,000.00	2021
Crossroads Strategies, LLC	Norfolk Southern Corporation	4th Quarter - Report	$50,000.00	2021
Crossroads Strategies, LLC	Norfolk Southern Corporation	2nd Quarter - Report	$50,000.00	2021
Crossroads Strategies, LLC	Norfolk Southern Corporation	3rd Quarter - Report	$50,000.00	2021
Federal Hill Group, LLC	Norfolk Southern Corporation	3rd Quarter - Report	$20,000.00	2021

Federal Hill Group, LLC	Norfolk Southern Corporation	4th Quarter - Report	$20,000.00	2021
Federal Hill Group, LLC	Norfolk Southern Corporation	2nd Quarter - Report	$20,000.00	2021
Federal Hill Group, LLC	Norfolk Southern Corporation	1st Quarter - Report	$20,000.00	2021
Foley & Lardner LLP	Norfolk Southern Corporation	Registration		2021
Foley & Lardner LLP	Norfolk Southern Corporation	3rd Quarter - Termination (No Activity)		2021
Norfolk Southern Corporation	Norfolk Southern Corporation	4th Quarter - Report	$530,000.00	2021
Norfolk Southern Corporation	Norfolk Southern Corporation	1st Quarter - Report	$350,000.00	2021
Norfolk Southern Corporation	Norfolk Southern Corporation	2nd Quarter - Report	$360,000.00	2021
Norfolk Southern Corporation	Norfolk Southern Corporation	3rd Quarter - Report	$360,000.00	2021
O'hara Federal Strategies, LLC	Norfolk Southern Corporation	4th Quarter - Report		2021
O'hara Federal Strategies, LLC	Norfolk Southern Corporation	3rd Quarter - Report		2021
O'hara Federal Strategies, LLC	Norfolk Southern Corporation	1st Quarter - Report		2021
O'hara Federal Strategies, LLC	Norfolk Southern Corporation	2nd Quarter - Report		2021
Summit Strategies Government Affairs LLC	Norfolk Southern	3rd Quarter - Report	~~$30,000.00~~*	2021
Summit Strategies Government Affairs LLC	Norfolk Southern	3rd Quarter - Amendment	$20,000.00	2021
Summit Strategies Government Affairs LLC	Norfolk Southern	1st Quarter - Amendment		2021
Summit Strategies Government Affairs LLC	Norfolk Southern	4th Quarter - Report	$20,000.00	2021
Summit Strategies Government Affairs LLC	Norfolk Southern	2nd Quarter - Report	$30,000.00	2021
Summit Strategies Government Affairs LLC	Norfolk Southern	1st Quarter - Report	$20,000.00	2021
Thomas Advisors, Inc	Norfolk Southern Corporation	3rd Quarter - Report (No Activity)		2021
Thomas Advisors, Inc	Norfolk Southern Corporation	4th Quarter - Report (No Activity)		2021
Thomas Advisors, Inc	Norfolk Southern Corporation	2nd Quarter - Report (No Activity)		2021
Thomas Advisors, Inc	Norfolk Southern Corporation	1st Quarter - Report (No Activity)		2021
Williams And Jensen, PLLC	Norfolk Southern Corporation	3rd Quarter - Report	$50,000.00	2021
Williams And Jensen, PLLC	Norfolk Southern Corporation	4th Quarter - Report	$50,000.00	2021
Williams And Jensen, PLLC	Norfolk Southern Corporation	2nd Quarter - Report	$50,000.00	2021

Williams And Jensen, PLLC	Norfolk Southern Corporation	1st Quarter - Report	$50,000.00	2021
			Total: $2,250,000.00	

**Total Excludes Reports That Have Been Replaced By Amended Reports*
[U.S. Senate Lobbying Disclosure Database, accessed 02/07/22]

Canadian Pacific Railway—Which Has Been Subject To A Federal Inquiry Into Demurrage Fees And Is Trying To Acquire Another Class I Railway For $25 Billion—Saw Its Net Income Climb 17% To About $2.2 Billion While Spending $270,000 Lobbying On Merger Issues In 2021.

Class I Railway Canadian Pacific Has A "Transcontinental" Presence And "Direct Links To Major Ports On The West And East Coasts."

Canadian Pacific Is A Class I Railway. "Class I rail firms are defined as having inflation-adjusted annual carrier operating revenue of $900 million or more and include: Burlington Northern and Santa Fe Railway (BNSF), Canadian National Railway (CN), Canadian Pacific Railway (CP), CSX Transportation, Kansas City Southern Railway (KCS), Norfolk Southern Railway (NS) and Union Pacific Railroad (UP)." [American Farm Bureau Federation, 09/08/21]

"Canadian Pacific Is A Transcontinental Railway In Canada And The United States With Direct Links To Major Ports On The West And East Coasts." [Canadian Pacific, accessed 02/04/22]

Canadian Pacific Has Been In The Process of Acquiring Kansas City Southern Railway—The Seventh Biggest North American Rail Company—For $25 Billion.

Canadian Pacific Has Been In The Process Of Acquiring Kansas City Southern Railway For $25 Billion, Which Would ""Create The First Single-Line Rail Network Linking The U.S., Mexico And Canada." "Canadian Pacific Railway Ltd. agreed to acquire Kansas City Southern in a transaction valued at about $25 billion that would create the first freight-rail network linking Mexico, the U.S. and Canada. The combination, which faces a lengthy regulatory review, is a long-term wager on an interconnected North American economy." [The Wall Street Journal, 03/21/21]

- **In Recent Years, Canadian Pacific Has Tried To Acquire Two Other Major U.S. Railroads But Failed Due To Resistance From Those Companies, As Well As "Rivals, Shippers And U.S. Regulators."** "It marks the third major U.S. railroad that the Canadian company has targeted in its quest to create a transcontinental network. Canadian Pacific abandoned the two prior efforts—in 2014 and 2016—amid resistance from the takeover targets themselves as well as opposition from rivals, shippers and U.S. regulators." [The Wall Street Journal, 03/21/21]

- **Canadian Pacific Said The Merger, If Approved, Would "Create The First Single-Line Rail Network Linking The U.S., Mexico And Canada."** "'This quarter we also reached a crucial milestone in our journey to create the first single-line rail network linking the U.S., Mexico and Canada by combining with Kansas City Southern, which closed into voting trust Dec. 14,' said Creel." [Canadian Pacific Railway Limited, 01/27/22]

- **December 14, 2021: The Merger Was Approved By Canadian Pacific's And Kansas City Southern's Shareholders And The Surface Transportation Board (STB) Was Expected To Issue A Decision On The Merger In Q4 2022.** "CANADIAN Pacific (CP) completed its acquisition of rival Class 1 Kansas City Southern (KCS) on December 14, following the approval of the merger by CP and KCS shareholders on December 8 and 10, respectively. KCS shares have been placed into a voting trust until the Surface Transportation Board (STB) issues a decision on the Class 1's proposed merger, Canadian Pacific Kansas City (CPKC), which is expected in the fourth quarter of 2022." [International Railway Journal, 12/15/21]

Kansas City Southern Was The Seventh Biggest North American Railroad Company In 2020, Based On Its Operating Revenue Of $2.63 Billion. [Statista, 02/02/22]

Canadian Pacific Has Been Asked To Provide Information For The STB Chairman's Probe Into "'Sizeable'" Demurrage Fees.

July 2021: Surface Transportation Board (STB) Chairman Martin J. Oberman Wrote To Canadian Pacific And The Six Other Class I Railways Requesting More Information About Supply Chain Congestion And Complaints About Demurrage Fees. "Surface Transportation Board (STB) Chairman Martin J. Oberman has called on the CEOs of the seven North American Class I's to provide information on the extent of congestion at key U.S. container terminals and on their policies and practices for assessing container demurrage fees, citing reports of 'substantial charges being levied by the railroads for container storage at these terminals.'" [Railway Age, 07/23/21]

- **Oberman Said The STB Received "'Numerous Reports'" About Railways' "'Sizeable Storage Fees ('Demurrage') Some Customers Have Been Required To Pay In Order To Obtain Release Of Containers Bearing Their Shipments.'"** "In identical letters (see below), dated July 22, Oberman wrote that 'in recent months, the Board has received numerous reports related to the length of time that containers are being held in rail yards, and the sizeable storage fees ('demurrage') some customers have been required to pay in order to obtain release of containers bearing their shipments. These reports have come from shippers, both large and small, in addition to third-party logistics providers." [Railway Age, 07/23/21]

- **The Letter Was Addressed To Canadian Pacific And Other Railways.** "*Railway Age* provides the July 22, 2021, letter—submitted to Katie Farmer, BNSF; Keith Creel, Canadian Pacific; JJ Ruest, CN; James Foote, CSX; Patrick Ottensmeyer, Kansas City Southern; James Squires, Norfolk Southern; and Lance Fritz, Union Pacific—in its entirety below." [Railway Age, 07/23/21]

Canadian Pacific's Operating Ratio Worsened In FY 2021, Largely Due To $36 Million It Spent On Its Effort To Acquire Kansas City Southern.

Canadian Pacific's Operating Ratio Worsened In Its Q4 2021 And Its FY 2021, Largely Due To $36 Million In Costs Related To Its Acquisition Of Kansas City Southern Railway. "CP's operating ratio worsened to 59.2 from 53.9 a year ago. The operating ratio in the fourth quarter includes C$36 million in costs related to the Kansas City Southern acquisition. For the full year the railroad's operating ratio also declined to 59.9 from 57.1 in 2020. Operating ratio measures a company's expenses as a percentage of revenue and determines efficiency. The lower the ratio, the more ability the company has to make a profit." [Transport Topics, 01/28/22]

Canadian Pacific's FY 2021 Net income Climbed 17% To About $2.2 Billion And It Still Saw About $539 Billion In Q4 2021 Net Income Despite Negative Impacts From Severe Weather And Its Acquisition Costs.

In FY 2021, Canadian Pacific's Net Income Of $2.85 Billion CAD (~$2.25 Billion USD) Was 17% Higher Than Its FY 2020 Net Income Of $2.44 Billion CAD (~$1.93 Billion USD). "For the year, net income increased to C$2.85 billion, or $C4.21, from 2020's C$2.44 billion, or C$3.61." [Transport Topics, 01/28/22]

- **As Of February 3, 2022, 1 Canadian Dollar Was Equivalent To 0.7889 American Dollars.** [Yahoo! Finance, accessed 02/03/22]

Canadian Pacific Saw $683 Million CAD ($539 Million USD) In Net Income In Its Q4 2021, Despite Negative Impacts From "Severe Winter Weather" And Costs Associated With Its Proposed Merger With Kansas City Southern. "Severe winter weather along part of its network and increased costs with the proposed merger of Canadian Pacific Railway with Kansas City Southern impacted fourth-quarter financial results. CP announced Jan. 27 that quarterly net income fell to C$683 million, or C74 cents a share, a decline of 45% from C$997 million, C$1.19, in the same period the year before. Revenue increased 1.5% to C$2.04 billion when measured against 2020's C$2.01 billion." [Transport Topics, 01/28/22]

Canadian Pacific Spent $270,000 While Lobbying On Merger Issues In 2021 And A Total Of $370,000 On Lobbying In 2021.

Canadian Pacific Spent $270,000 Lobbying On Merger Issues In 2021:

- **Q4 2021: Canadian Pacific Railway Limited Paid $60,000 To Arent Fox LLP To Lobby On "Merger And Related Issues."** [Arent Fox LLP LD-2 Lobbying Disclosure, 01/20/22]

- **Q2 2021: Canadian Pacific Railway Limited Paid $50,000 To Arent Fox LLP To Lobby On "Merger And Related Issues."** [Arent Fox LLP LD-2 Lobbying Disclosure, 07/20/21]

- **Q3 2021: Canadian Pacific Railway Limited Paid $60,000 To Arent Fox LLP To Lobby On "Merger And Related Issues."** [Arent Fox LLP LD-2 Lobbying Disclosure, 10/20/21]

- **Q4 2021: Canadian Pacific Railway Paid $50,000 To Mehlman Castagnetti Rosen & Thomas, Inc. To Lobby Congress On "Issues Related To Proposed CP KS Merger" And Other Matters.** [Mehlman Castagnetti Rosen & Thomas, Inc. LD-2 Lobbying Disclosure, 01/19/22]

- **Q3 2021: Canadian Pacific Railway Paid $50,000 To Mehlman Castagnetti Rosen & Thomas, Inc. To Lobby Congress On "Issues Related To Proposed CP KS Merger" And Other Matters.** [Mehlman Castagnetti Rosen & Thomas, Inc. LD-2 Lobbying Disclosure,10/18/21]

Canadian Pacific Spent A Total Of $370,000 On Lobbying In 2021:

Lobbying Entity	Lobbying Client	Report Quarter	Amount	Year
Arent Fox LLP	Canadian Pacific Railway Limited	4th Quarter - Report	$60,000.00	2021
Arent Fox LLP	Canadian Pacific Railway Limited	2nd Quarter - Report	$50,000.00	2021
Arent Fox LLP	Canadian Pacific Railway Limited	Registration		2021
Arent Fox LLP	Canadian Pacific Railway Limited	3rd Quarter - Report	$60,000.00	2021
Mehlman Castagnetti Rosen & Thomas, Inc.	Canadian Pacific Railway	4th Quarter - Report	$50,000.00	2021
Mehlman Castagnetti Rosen & Thomas, Inc.	Canadian Pacific Railway	3rd Quarter - Report	$50,000.00	2021
Mehlman Castagnetti Rosen & Thomas, Inc.	Canadian Pacific Railway	1st Quarter - Report	$50,000.00	2021
Mehlman Castagnetti Rosen & Thomas, Inc.	Canadian Pacific Railway	2nd Quarter - Report	$50,000.00	2021
		Total:	$370,000.00	

[U.S. Senate Lobbying Disclosure Database, accessed 02/07/22]

Kansas City Southern—Which Has Claimed That Demurrage Fees Are "'Not A Revenue Source That We Seek To Increase'" While Subject To A Federal Inquiry About Fees—Saw Q4 2021 Net Income Jump 258%, Spent $188 Million On Shareholder Dividends In FY 2021, And Spent $120,000 While Lobbying On Mergers In 2021.

Kansas City Southern Is A Class I Rail Company, With 6,700 Route Miles In The U.S. And Mexico.

Kansas City Southern Is A Class I Railway. "Class I rail firms are defined as having inflation-adjusted annual carrier operating revenue of $900 million or more and include: Burlington Northern and Santa Fe Railway (BNSF), Canadian National Railway (CN), Canadian Pacific Railway (CP), CSX Transportation, Kansas City Southern Railway (KCS), Norfolk Southern Railway (NS) and Union Pacific Railroad (UP)." [American Farm Bureau Federation, 09/08/21]

"Kansas City Southern Has 6,700 Miles Of Track In The U.S. And Mexico." [NPR, 12/13/21]

Kansas City Southern Has Said That Demurrage Fees Are "'An Important Tool To Keep The Railroad Fluid And Moving'" And Claimed That The Fees Are "'Not A Revenue Source That We Seek To Increase.'"

Kansas City Southern Said That It "'Sees Demurrage As An Important Tool To Keep The Railroad Fluid And Moving,'" And "'Not A Revenue Source That We Seek To Increase.'" "'KCS sees demurrage as an important tool to keep the railroad fluid and moving and avoid equipment positioning issues for better customer service, not a revenue source that we seek to increase,' the railroad said in an emailed statement." [SupplyChainDive, 01/12/22]

Kansas City Southern Has Been Asked To Provide Information For The STB Chairman's Probe Into "'Sizeable'" Demurrage Fees.

July 2021: Surface Transportation Board (STB) Chairman Martin J. Oberman Wrote To Kansas City Southern And The Six Other Class I Railways Requesting More Information About Supply Chain Congestion And Complaints About Demurrage Fees. "Surface Transportation Board (STB) Chairman Martin J. Oberman has called on the CEOs of the seven North American Class I's to provide information on the extent of congestion at key U.S. container terminals and on their policies and practices for assessing container demurrage fees, citing reports of 'substantial charges being levied by the railroads for container storage at these terminals.'" [Railway Age, 07/23/21]

- **Oberman Said The STB Received "'Numerous Reports'" About Railways' "'Sizeable Storage Fees ('Demurrage') Some Customers Have Been Required To Pay In Order To Obtain Release Of Containers Bearing Their Shipments.'"** "In identical letters (see below), dated July 22, Oberman wrote that 'in recent months, the Board has received numerous reports related to the length of time that containers are being held in rail yards, and the sizeable storage fees ('demurrage') some customers have been required to pay in order to obtain release of containers bearing their shipments. These reports have come from shippers, both large and small, in addition to third-party logistics providers." [Railway Age, 07/23/21]

- **The Letter Was Addressed To Kansas City Southern And Other Railways.** "*Railway Age* provides the July 22, 2021, letter—submitted to Katie Farmer, BNSF; Keith Creel, Canadian Pacific; JJ Ruest, CN; James Foote, CSX; Patrick Ottensmeyer, Kansas City Southern; James

Squires, Norfolk Southern; and Lance Fritz, Union Pacific—in its entirety below." [Railway Age, 07/23/21]

Kansas City Southern's Q4 2021 Net Income Climbed 258% To $595 Million, Even Though Its FY 2021 Net Income Fell.

Kansas City Southern's Q4 2021 Net Income Was $595.1 Million, 258% Higher Than Its Q4 2020 Net Income:

	Three Months Ended December 31,		Years Ended December 31,	
	2021	2020	2021	2020
Revenues	$ 747.8	$ 693.4	$ 2,947.3	$ 2,632.6
[...]				
Net income	595.1	166.3	527.0	619.1

[Kansas City Southern, accessed 02/03/22]

Kansas City Southern Spent $188 Million On Shareholder Dividends In Its FY 2021.

Kansas City Southern Spent $188 Million On Shareholder Dividends In Its FY 2021:

(in millions) (Unaudited)	Years Ended December 31,	
	2021	2020
[...]		
Dividends paid	(188.0)	(152.3)

[Kansas City Southern, accessed 02/03/22]

Kansas City Southern Had Over $339 Million In Cash And Cash Equivalents At The End Of 2021, $151 Million More Than 2020.

Kansas City Southern Had $339.3 Million In Cash And Cash Equivalents At The End Of 2021 Compared To $188 Million At The End Of 2020:

	December 31, 2021	December 31, 2020
ASSETS		
Current assets:		
Cash and cash equivalents	$ 339.3	$ 188.2

[Kansas City Southern, accessed 02/03/22]

Kansas City Southern Spent $120,000 While Lobbying On Mergers In 2021 And A Total Of $230,000 On Lobbying In 2021.

Kansas City Southern Spent $120,000 On Lobbying About Mergers In 2021:

- **Q4 2021: Kansas City Southern Railway Paid $40,000 To Slattery Strategy LLC To Lobby The Federal Railway Administration On "Issues Related To Proposed Kansas City Southern Railway Merger With Canadian Pacific Railroad" And Other Matters.** [Slattery Strategy LLC LD-2 Lobbying Disclosure, 01/20/22]

- **Q2 2021: Kansas City Southern Paid $40,000 To Slattery Strategy LLC To Lobby The Federal Railway Administration On "Issues Related To Proposed Kansas City Southern Railway Merger With Canadian Pacific Railroad," "Issues related to subsequent Kansas City Southern Railway merger with Canadian National Railroad," And Other Matters.** [Slattery Strategy LLC LD-2 Lobbying Disclosure, 07/19/21]

- **Q3 2021: Kansas City Southern Paid $40,000 To Slattery Strategy LLC To Lobby The Federal Railway Administration On "Issues Related To Proposed Kansas City Southern Railway Merger With Canadian Pacific Railroad," "Issues related to subsequent Kansas City Southern Railway merger with Canadian National Railroad," And Other Matters.** [Slattery Strategy LLC LD-2 Lobbying Disclosure, 10/20/21]

Kansas City Southern Spent A Total Of $230,000 On Lobbying In 2021:

Lobbying Entity	Lobbying Client	Report Quarter	Amount	Year
Capitol Resources, LLC	Kansas City Southern Railway Company	4th Quarter - Report	$17,500.00	2021
Capitol Resources, LLC	Kansas City Southern Railway Company	2nd Quarter - Report	$17,500.00	2021
Capitol Resources, LLC	Kansas City Southern Railway Company	3rd Quarter - Report	$17,500.00	2021
Capitol Resources, LLC	Kansas City Southern Railway Company	1st Quarter - Report	$17,500.00	2021
Slattery Strategy LLC	Kansas City Southern Railway	4th Quarter - Report	$40,000.00	2021
Slattery Strategy LLC	Kansas City Southern Railway	2nd Quarter - Report	$40,000.00	2021
Slattery Strategy LLC	Kansas City Southern Railway	3rd Quarter - Report	$40,000.00	2021
Slattery Strategy LLC	Kansas City Southern Railway	1st Quarter - Report	$40,000.00	2021
		Total:	**$230,000.00**	

[U.S. Senate Lobbying Disclosure Database, accessed 02/07/22]