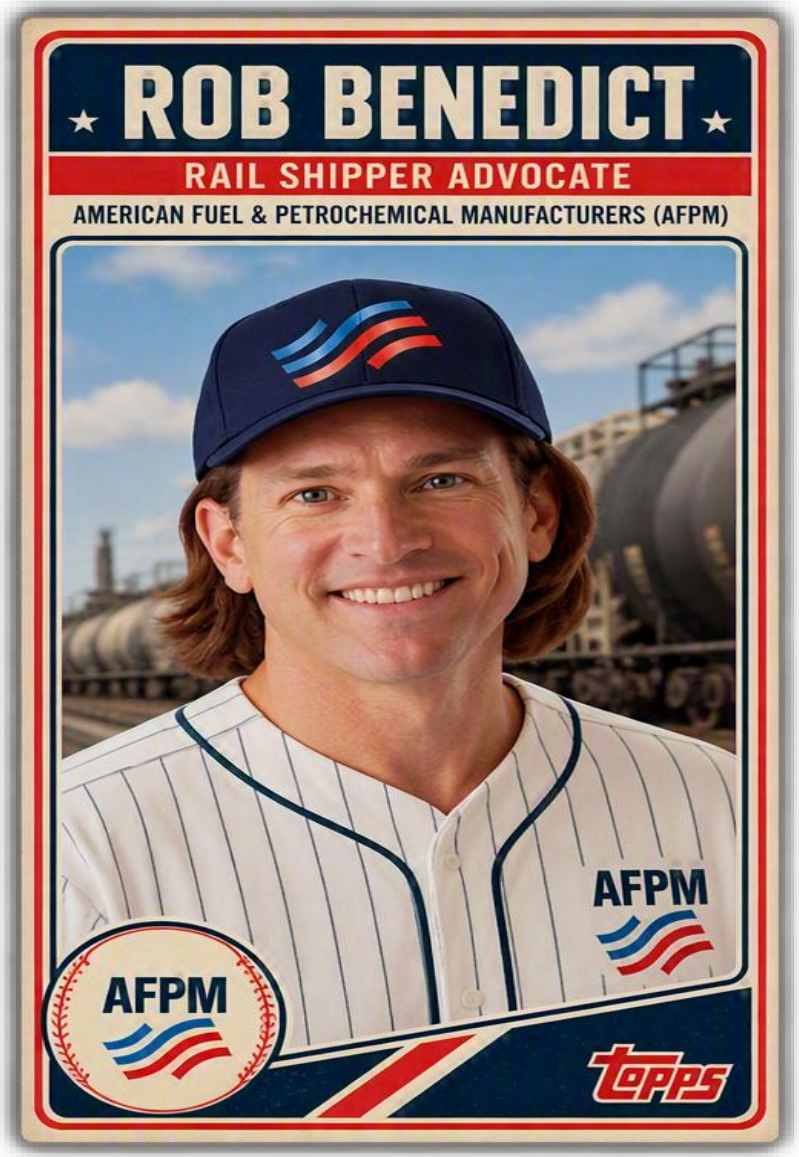
AFPM
American
Fuel & Petrochemical
Manufacturers

Leadoff Batter – Rail Shipper Regulations & Challenges

October 1, 2026 | SWARS Semi-Annual Meeting

Your Leadoff Hitter



The Sandlot

Rail Stakeholders and Their Role?

Every Player Has a Role on the Field

Railroads – Setting the Table

Shippers – Heart of the Lineup

Consumers – Reliant on the Team

Regulators – Calling Balls & Strikes

“You’re killing me, smalls” – Hamilton “Ham” Porter

Major League

Why Rail Matters to Shippers?

Why Freight Rail Matters to Shippers?

- CONNECTS PRODUCERS TO CUSTOMERS
- SUPPORTS MANUFACTURING AND EXPORTS
- MOVES ESSENTIAL INDUSTRIAL COMMODITIES
- ENABLES SUPPLY CHAIN RESILIENCE

FOR AFPM MEMBERS

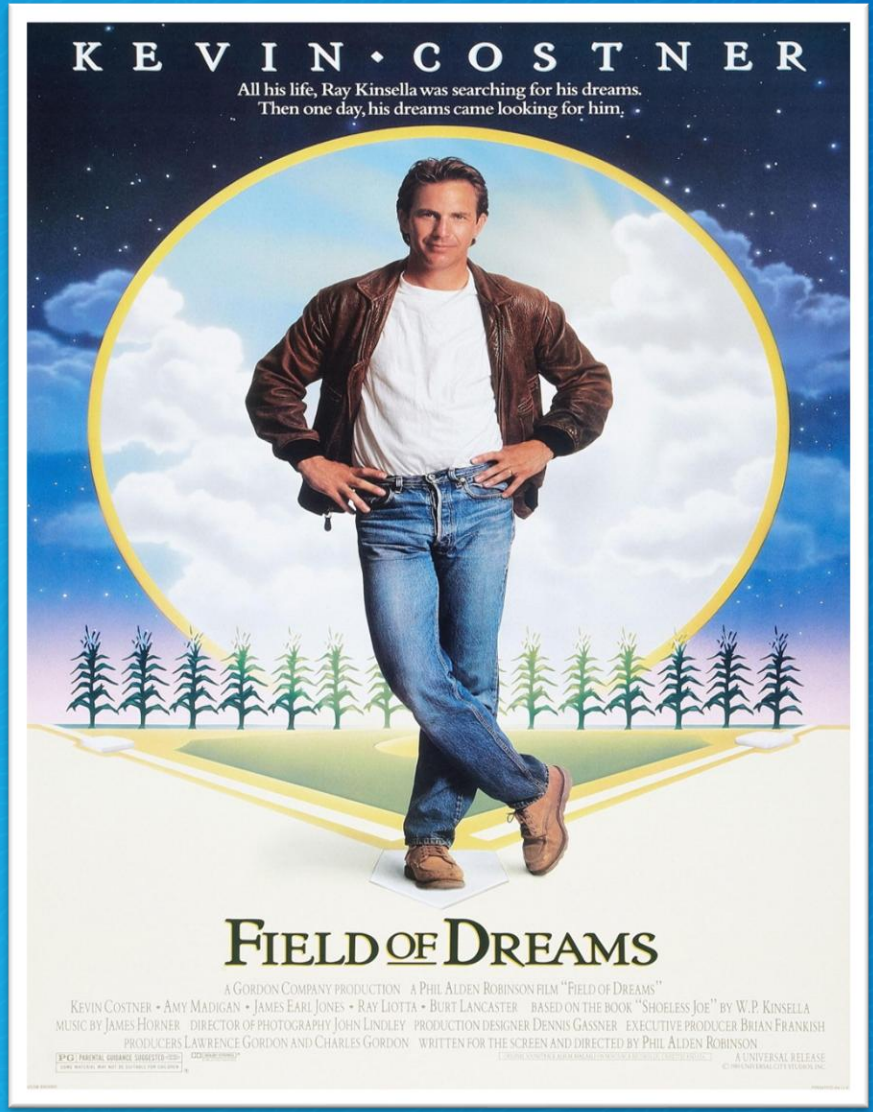
1	CRUDE OIL
2	REFINED PRODUCTS
3	PETROCHEMICALS
4	PLASTICS FEEDSTOCKS
5	INPUTS, ADDITIVES AND BY-PRODUCTS

“Welcome to the big leagues, kid!” – Jake Taylor

Why Freight Rail Matters to Shippers?

Field of Dreams

What Does a Success Look Like?



What Does a Successful Rail Market Look Like?

Operational Perspective

Freight Rail Policy Perspective

“If you build it, they will come” – The Voice

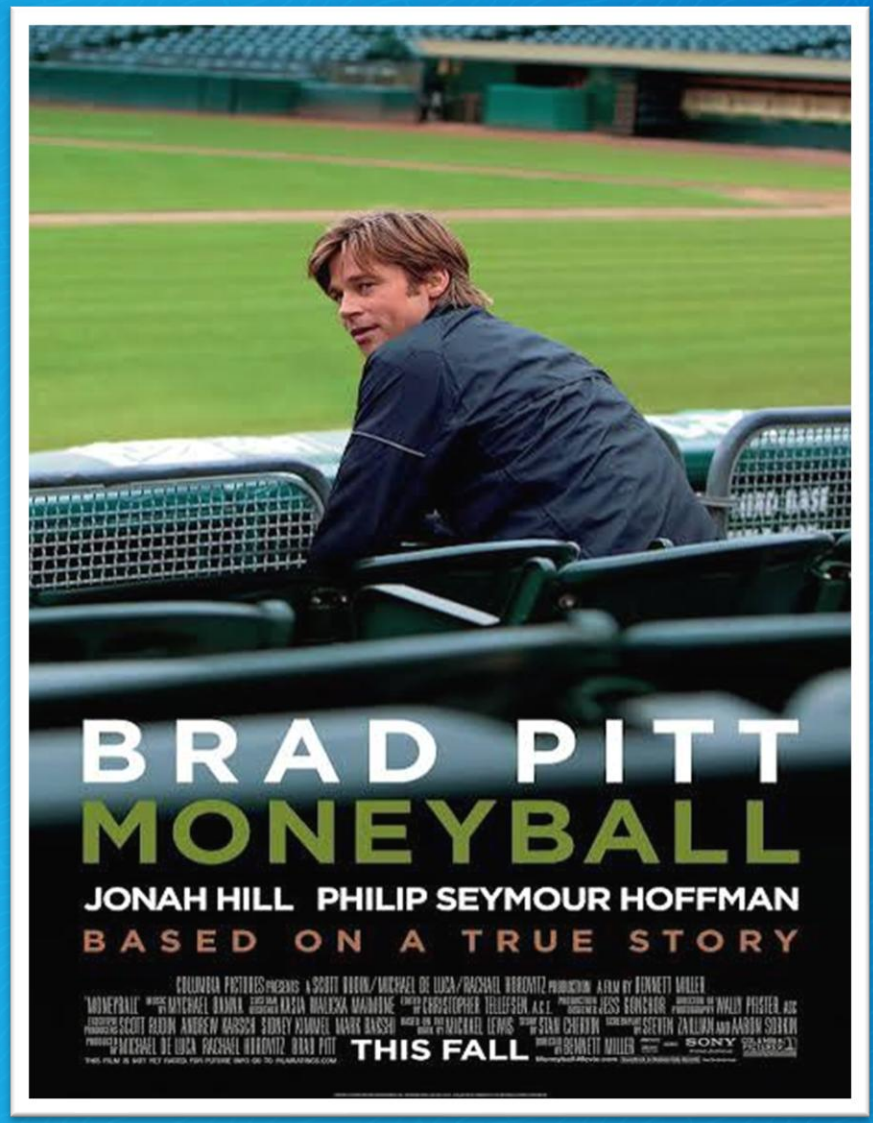
A League of Their Own

The Stakes of the UPNS Merger for Rail Shippers

The Stakes of the UPNS Merger for Shippers

Moneyball

Evaluating the UPNS Merger

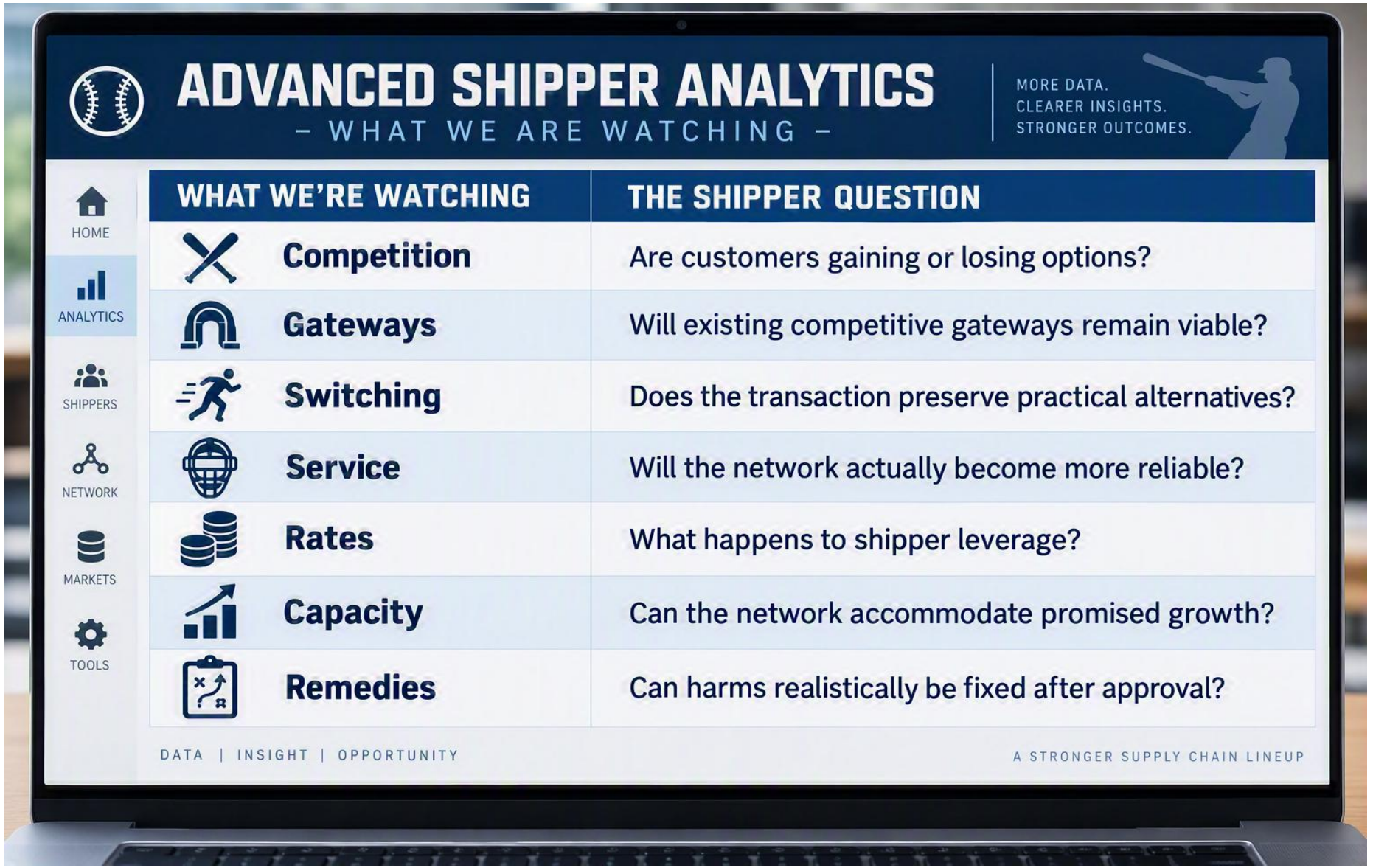


Evaluating the UPNS Merger

1. **The Game Has Changed –** New Merger Rules
2. **The Strike Zone –** The Show Me Standard
3. **Advanced Analytics –** What is Enhanced Competition?
4. **Building a Dynasty –** Long-term Impact & Public Interest

"If you challenge conventional wisdom, you will find ways to do things much better than they are currently done" – Billy Beane

Evaluating the UPNS Merger



Evaluating the UPNS Merger

Find Your Position

- Concessions considered
- No suite of concessions is enough
- Opposed based on the application

Balls in Play

- A shifting strike zone
- Abeyance lifted and schedule announced
- From procedural stage to merits based

AFPM in the Game

- Built a team
- Supported challenges
- Moved to dismiss proceedings
- Raised awareness and engagement

“If you challenge conventional wisdom, you will find ways to do things much better than they are currently done” – Billy Beane

The Bad News Bears

What Could Go Wrong?

What Could Go Wrong?

Strike 1: Underestimating Competitive Harm

- Lost routing alternatives
- Closed or weakened gateways
- Short-hauls and foreclosure
- Reduction in shipper leverage

Strike 2: Overestimating Promised Benefits

- Service improvements don't materialize
- Claimed efficiencies don't reach customers
- Operational complexity proves greater than expected

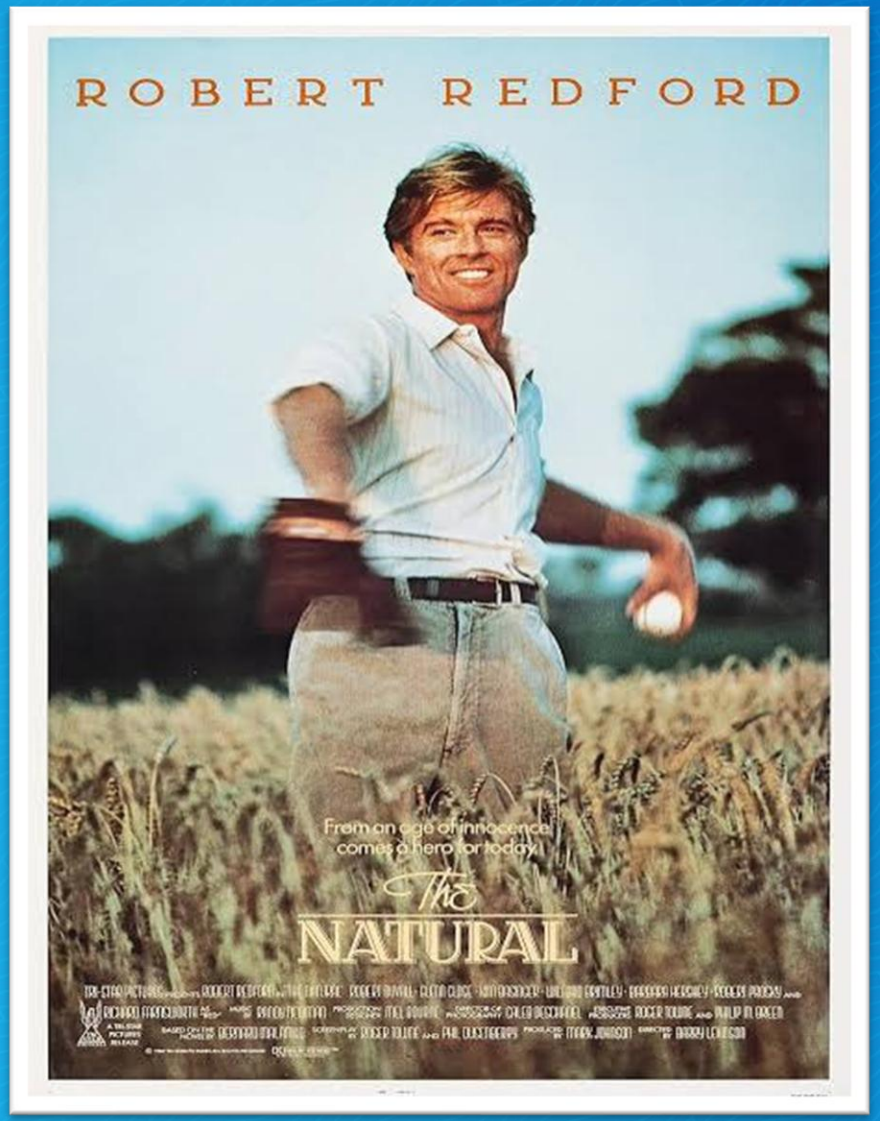
Strike 3: You're Out … Approval is the End of the Game

- Can't change the call on the field
- No margin for error
- Implementation meltdown
- Further consolidation?

"All I know is when we win a game, it's a team win. When we lose a game, it's a team loss." – Coach Morris Buttermaker

The Natural

What a Storybook Ending Looks Like?



What a Storybook Ending Looks Like?

For Railroads

For Shippers

For Regulators

For the Economy

“Pick me out a winner, Bobby.” – Roy Hobbs

What a Storybook Ending Looks Like?

For Railroads

For Shippers

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“The storybook ending isn't one where the railroads win or the shippers win. It's one where railroads succeed because their customers succeed.” – Rob Benedict