Brotherhood of Railroad Signalmen

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W. Dan Pickett
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Jerry C. Boles
Secretary-Treasurer

January 20, 2016

The Honorable Daniel R Elliott, III, Chairman
U.S. Surface Transportation Board
395 E Street, SW
Washington, DC 20024

The Honorable Debra Miller, Vice Chairman
U.S. Surface Transportation Board
395 E Street, SW
Washington, DC 20024

The Honorable Ann D. Begeman, Commissioner
U.S. Surface Transportation Board
395 E Street, SW
Washington, DC 20024

Dear Chairman Elliott, Vice Chairman Miller, and Commissioner Begeman:

I am writing to you on behalf of the Brotherhood of Railroad Signalmen (BRS), regarding Canadian Pacific Railway’s (CP) proposal to acquire Norfolk Southern Corporation (NS).

As the representative of more than 12,000 active railroad workers, I am writing to convey that we are strongly opposed to CP’s unsolicited bid to take over NS. This acquisition, and those it will undoubtedly trigger, will disrupt America’s rail network and negatively impact the workers who toil to ensure it is run safely and efficiently. Those who depend on rail to ship and receive their goods will have fewer options and suffer higher costs for diminished service. Lost jobs and fewer employment opportunities along the rail network will certainly result—and, if recent history is any indication, those employees fortunate enough to survive the transaction will be subjected to a work environment where safety is compromised, as the new entity struggles to return the rail network to its former fluidity and long-term profitability.

We also strongly oppose CP’s plan to establish control of the new entity through a voting trust and immediately install its CEO, E. Hunter Harrison, at the helm of NS pending regulatory approval. We view this as an attempt to skirt the current regulatory requirements and prohibitions regarding unlawful pre-approval control. Moreover, such a scenario...
would give Mr. Harrison free reign to apply his management techniques and realize his stated goal of $1.8 billion in short-term profits by harvesting NS's assets and reducing its headcount, regardless of whether the merger is ultimately consummated. This type of disinvestment in NS's infrastructure and human capital does not serve the public's interest and it is not in labor's interest, and it will not foster a more competitive and efficient rail network, it only has the potential to temporarily satisfy CP's corporate greed at the public's and labor's expense.

In closing, we urge the Board to consider the many negative ramifications of a CP–NS combination and reject CP's proposal on the basis that it does not serve the public's interest.

Sincerely,

W. Dan Pickett
President

cc:  BRS Grand Executive Council