February 8, 2016

Chairman Daniel R. Elliott, III  
Vice Chairman Deb Miller  
Member Ann D. Begeman  

Surface Transportation Board  
395 E Street, S.W.  
Washington, DC 20423-000

Dear Chairman Elliott, Vice Chairman Miller, and Board Member Begeman:

Please accept this letter of support of the efforts of Norfolk Southern. Our organization is responsible for the recruitment of new industry and employment to North Carolina, and we have a long history of working closely with Norfolk Southern’s industrial development team in this capacity, especially in the pursuit of new manufacturing investment by U.S. and overseas companies expanding in the Southeast.

Anytime we compete to attract new business investment to North Carolina, we rely strongly on our partnership with major utilities, railroads, and other related service providers (e.g. construction firms) to make the case for why North Carolina is an optimal location for a company’s future growth plans. Norfolk Southern has been a consistently reliable, trustworthy partner to our efforts, oftentimes lending us important resources with which we can illustrate North Carolina’s suitability for new manufacturing investment considering the state.

In fact, Norfolk Southern itself is well-known in the U.S. economic development industry for being one of the strongest railroads – if not the strongest – in terms of supporting the industrial-recruitment efforts of its state and local community partners. While other major rail companies like CSX, Union Pacific, and BNSF also support state economic development to some extent, Norfolk Southern is uniquely positioned due to its industrial development group, which serves as the primary partner interface to economic development organizations like ours.

Not only has Norfolk Southern provided financial support to state and local economic development groups over the years, but more importantly, the company’s dedicated industrial development staff are constantly engaged with the economic development profession throughout the lifecycle of a corporate recruitment project. This engagement includes helping to identify industrial sites capable of being served by rail, assisting with the promotion of those sites to potential rail users that would also create much-needed employment and capital investment in the community, and providing in-kind engineering consultation to rail users looking at specific tracts of industrial land for development.
I have been fortunate to observe the value of Norfolk Southern’s active participation in economic development not just during my time in North Carolina; I have also worked with the company in Missouri and Ohio, where I previously held positions involving new business recruitment. I suspect that Norfolk Southern’s reputation in all of the states where it operates is similar to my experience in these three states, which is to say it is known for being an indispensable partner.

Like many of my peers in state-level economic development in the U.S., I am concerned about what will become of Norfolk Southern’s history of providing such valuable support, should they be acquired by Canadian Pacific. Most if not all economic development professionals have little awareness of what, if any, efforts the Canadian Pacific makes towards helping its state and local partners attract new industrial development. On the other hand, we are keenly aware of, and have often benefited from, the significant resources that Norfolk Southern has dedicated towards its partnership with the economic development community. As a result, we are reasonably concerned that an acquisition would have adverse impacts on the longstanding culture of cooperation and success that we have enjoyed with our partners at Norfolk Southern.

I hope that the Surface Transportation Board will take into account these concerns about a potential acquisition, and I welcome the opportunity to discuss the above in further detail as needed. Thank you in the meanwhile for your consideration.

Sincerely,

Christopher M. Chung
Chief Executive Officer