February 3, 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

RE: Canadian Pacific Railway Proposal to acquire Norfolk Southern

Dear Chairman Elliott and Surface Transportation Board Members:

The Harrisburg Regional Chamber & CREDC (Capital Region Economic Development Corporation) serves businesses and focuses on the economic future of the Harrisburg-Carlisle MSA in South Central Pennsylvania. We also work with businesses looking to expand or locate here. Our region is well known as a logistics and transportation hub for the mid-Atlantic region with an extremely robust multi-modal freight system utilizing highways, air and rail. Norfolk Southern is the predominant railroad in our region and a key to our economic health and economic future.

Pennsylvania is Norfolk Southern’s largest employment state with approximately 5,000 of 30,000 employees employed in the state. In the Harrisburg MSA area there are major facilities employing about 1,100 people at the Enola Freight Yard, Enola Locomotive Shop, Harrisburg Intermodal, Rutherford Intermodal Yard, and the Harrisburg Division Office.

We have been watching with great interest the attempt of the Canadian Pacific Railway to acquire (an unwanted acquisition) Norfolk Southern. In mergers and acquisitions time and time again we see a business philosophy that overly focuses on extreme cost controls and ultimately results in reductions in a dramatic way to service, operational capacity, long term commitment to infrastructure and future growth of any business. Our concern of this potential acquisition is even more of a concern given the importance of rail service to our region and our nation.

Rail, both passenger and freight, is a valuable infrastructure resource for our nation. It is an investment in our region’s and our nation’s future. Even though we are enjoying a period of inexpensive fuel, we know that will not last. Additionally our local interstate highways I-76; I-78; I-81; I-83 and Rt 15 are becoming more congested, particularly the north-south I-81. It has always been our hope, supported by demonstrated plans by Norfolk Southern, to add north south rail capacity to slow the growth of numbers of trucks on I-81 by improving rail service throughout the eastern United States. Norfolk Southern has invested in their facilities in our region, establishing long term plans for the usage and
growth of rail freight in our region. We believe they are investing in the future of much needed rail infrastructure. Their actions demonstrate a vision for long term rail service for the country. For these reasons and more, we ask that the Surface Transportation Board scrutinize the Canadian Pacific Railway proposal. We have read there are venture capitalists involved in this proposal. Typically, that does not mean there is a long term strategy to grow a business, providing jobs to locals and extraordinary customer service. It generally means draining cash and assets from the acquired asset and moving on. That would be devastating to our region, our state and our nation’s rail network. It has us concerned.

While I am not a defender of the status quo and there are likely things Norfolk Southern can do better, it is my opinion that at moments like this good companies, conscientious companies demonstrate what they are all about. I believe Norfolk Southern has the ability to demonstrate a positive future for rail service in our region, state and nation. I believe they understand the importance of rail infrastructure and what it means to the future of our nation on multiple levels, as well as their own corporate health. Whatever the outcomes of your deliberations are, we ask that you hold the parties who will have the future of rail freight in our region and our nation accountable for the long term interests of our country.

Thank you for your consideration.

Sincerely,

David E. Black
President & CEO

via email: rcpa@stb.dot.gov