December 21, 2015

The Honorable Daniel R. Elliott III, Chairman  
The Honorable Ann D. Begeman, Vice Chairman  
The Honorable Debra Miller, Board Member  
United States Surface Transportation Board  
395 E Street, SW  
Washington, DC 20423-0001

Dear Chairman Elliott and Surface Transportation Board Members:

I am writing to you regarding Canadian Pacific Railway’s proposal to acquire Norfolk Southern Corporation. As spokesman for the manufacturers in the State of Indiana, I am concerned about the impact a proposed NS-CP merger would have on the service and competitive pricing of freight rail.

Norfolk Southern maintains an extensive rail network in the Hoosier State. This network is vital to many industries, including the automobile and steel manufacturing industries. Both industries continue to be important corporate citizens and employers. Moreover, Indiana is focused on the continued development of manufacturing growth. Competitive rail access and service are critical to our efforts on growing this important sector of Indiana’s economy. Norfolk Southern has been a very reliable partner in providing timely investment and cooperation to improve their network, resulting in an environment conducive to manufacturing growth. A merger places that rail access in jeopardy.

With respect to freight rail service, the manufacturing community of Indiana is most concerned about the increasing gridlock associated with Chicago. Indiana serves as the main gateway into this dense and complicated rail network. Despite the challenges, our members are fortunate to be located on this network, connecting them to large population centers, other manufacturers, as well as their suppliers. We applaud Norfolk Southern and other industry leaders for their efforts to alleviate this gridlock through coordinated improvements in infrastructure and participation in the Chicago Transportation Coordination Office (“CTCO”). It is our understanding that Canadian Pacific does not participate in the CTCO or similar coordinating efforts. If a merger were to take place, this lack of cooperation on behalf of Canadian Pacific would seem to unravel the improvements that have been made to date.
Finally, as you are well aware, the Surface Transportation Board’s current rules set a high bar for further consolidation, recognizing that such consolidation inevitably would lead to massive service disruptions for shippers, reduced competition between carriers and momentum for further consolidation among remaining railroads. It goes without saying that any or all of these circumstances would be contrary to the greater good of the economy and negatively impact our members.

Given these facts and the current economic pressures on the entire industry, I believe the Board should be focused on public policy solutions that boost economic growth, support strong sustainable rail competition, and protect the recent service gains that are helping our shippers and communities. I encourage the Surface Transportation Board to review any proposal by Canadian Pacific very closely in light of the potential significant public interest harms.

Sincerely,

Brian Burton
President & CEO