February 8, 2016

The Honorable Daniel R. Elliott III
Chairman
United States Surface Transportation Board
395 E Street, SW
Washington, DC 20423-0001

The Honorable Ann D. Begeman
Vice Chairman
United States Surface Transportation Board
395 E Street, SW
Washington, DC 20423-0001

The Honorable Debra Miller
United States Surface Transportation Board
395 E Street, SW
Washington, DC 20423-0001

Dear Chairman Elliott and Surface Transportation Board Members:

The attempts of Canadian Pacific Railway (CP) to acquire Norfolk Southern Corporation (NS) have made headlines recently in the national financial news and I am concerned this potential transaction could have a negative impact on our industries and businesses in the Knoxville, Tennessee area. Specifically, I am troubled by the public statements made by Mr. Hunter Harrison, CP’s Chief Executive Officer (CEO), regarding his strategic plan to aggressively downsize NS’ railroad facilities, reduce its equipment fleet, and slash its workforce, all without having full knowledge of NS’ operating plan, long term strategic plan, or its customers.

NS is the second largest rail carrier in our state, and is an important freight partner. With 1,775 employees and 844 operating miles of track, Norfolk Southern’s footprint in East Tennessee connects Knoxville with Atlanta, Birmingham, Mobile and New Orleans to the south and with Cincinnati, Chicago and Louisville to the north. These are critical routes for imports and exports to our state. Furthermore, Knoxville is the headquarters of Norfolk Southern’s Central Division and employs numerous residents of Knoxville and the surrounding area. Any reduction to the workforce and/or operations conducted at the NS facility could negatively impact the economic wellbeing of our community. We are concerned that CP’s aggressive approach to cost reductions could jeopardize the NS presence in Knoxville and could impact the area’s ability to attract new rail customers.

A takeover of NS by CP would endanger these investments in our state, and disrupt our ongoing efforts to continue growing Knoxville’s economy. Given these facts and the current economic pressures on the
entire industry, I believe the Surface Transportation 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 STB to review any proposal by Canadian Pacific very closely in light of the potential significant public interest harms.

I am following the public conversations surrounding CP’s acquisition efforts of NS closely. I hope that in your role at the STB, you will consider what impact this potential merger will have on the states in which NS currently operates.

Sincerely,

Michael Edwards
President & CEO

cc:  Senator Lamar Alexander
     Senator Bob Corker
     Congressman John J. Duncan, Jr.