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 Board Members:

The effort by Canadian Pacific Railway (CP) to acquire Norfolk Southern Corporation (NS) is of concern because of the potential negative impact this could have on Mississippi's economy if CP's unsolicited proposal to buy NS is allowed to proceed.

Based on news reports of potential cuts in both employment and company size, such a plan could put NS' operations in Mississippi in jeopardy. Service levels to Mississippi's industrial base could be diminished and our economic development endeavors as a result may be compromised.

NS isn't the largest rail carrier in our state, but is an important freight partner. With 230 employees and 211 operating miles of track, Norfolk Southern serves two important industrial corridors; one connecting Birmingham with the western-gateway city, New Orleans, and serving the Boligee, Meridian and Hattiesburg communities; the other connecting Birmingham to the western-gateway city of Memphis and serving the Iuka and Corinth markets. These two lines serve a healthy number of industries and businesses directly and by way if its connections to seven different short lines.
Even more valuable to our state, these lines offer great opportunities for future growth and expansion. In particular is the continued marketing of the Memphis Regional Intermodal Facility in Rossville, TN; just one mile from the Mississippi state line. Built as a public-private partnership with a TIGER grant, this facility offers North Mississippi great possibilities for commercial development. MEC’s recent transportation and infrastructure study notes the importance of this facility and its location to economic development in Mississippi. In this regard, Norfolk Southern is an important state partner in economic development. In 2014, NS invested more than $3 million in its track and facilities in our state; made purchases and payments of more than $10 million; and paid more than $15 million in payroll. Many of our citizens depend on NS’ partnership with Amtrak for their primary mode of transportation to destinations outside of Mississippi on the Crescent Line.

A takeover of NS by CP could endanger these investments in our state, and derail our ongoing efforts to attract new employers and encourage development. Reduced rail service and fewer railroad employee resources do not provide a public benefit for Mississippi.

We hope the Surface Transportation Board will focus attention on this matter, as it is of concern for the economic future of our state. Thank you for your service and for your careful consideration of this important issue.

Sincerely,

Blake A. Wilson
President & CEO