February 15, 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

Chairman Elliott, Vice Chairman Miller, and Ms. Begeman,

As you are aware, there have been recent public discussions about potential mergers between Class I railroads in North America, specifically Canadian Pacific Railway's proposal to acquire Norfolk Southern Corporation. I am writing you today to express my concerns with this particular transaction. I respectfully submit that any merger favoring one particular carrier over the greater rail industry and the customers that it serves should not be approved by the Surface Transportation Board.

Since its inception in the early 1990’s, the Perry County Port Authority & Hoosier Southern Railroad have enjoyed a close business relationship with Norfolk Southern Railway that has resulted in the creation of 3000 jobs in an area that suffered a severe economic downturn that occurred a decade earlier. Norfolk Southern’s willingness to maintain and operate the Huntingburg Branch line, a line that many would consider marginally profitable, has meant that we can continue to offer rail service to the single largest employer in Perry County Indiana. It is our concern that another railroad may not consider this line financially worthwhile and discontinue service. This would have a devastating effect on Perry County economically.

Anytime we compete to attract new business investment to this region, we rely strongly on our partnership with Norfolk Southern Railway to make the case for why Perry County is an optimal location for a company’s future growth plans. Norfolk Southern has been a consistently reliable, trustworthy partner in our efforts, whom with we can illustrate our regions suitability for new industry.

Lastly, in our study of printed material regarding the proposed merger we see very little, if any, benefit of merging these two railroads, considering the limited overlap that they have. On the negative side, we see tremendous problems, first from the integration of two very different rail carriers and the inherent systems and operations issues that occur as they are integrated. The Norfolk Southern / Conrail merger of 1998 showed the industry that even with very careful planning; merging two railroads into one is difficult and can be a huge financial burden for customers who depend on regular, reliable service. We also see potential for dramatic cuts in areas like maintenance and service resulting from the need to make the combined railroads viable from a financial standpoint.

We appreciate this opportunity to offer our perspective on this important matter. The Surface Transportation Board plays a critical role in protecting and preserving a competitive domestic rail industry, and we fully support a thorough and thoughtful review of this proposed acquisition.

Respectfully,

Alvin C. Evans
President & Chief Executive Officer
Perry County Port Authority