February 11, 2016

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

RE: Canadian Pacific Railway (CP) Proposal to Acquire Norfolk Southern Corp. (NS)

Dear Chairman Elliott:

The Progress Authority is the economic development agent for Susquehanna County. We work collaboratively with the County Commissioners, the County Economic Development Advisory Board and the Susquehanna County Railroad Authority. We fully recognize the extreme importance of a viable railroad infrastructure and its relationship to economic development. Even more important is the ability of local businesses to utilize rail service.

Susquehanna is currently primarily serviced by Norfolk Southern (NS) Railway. We have been made aware by local businesses of the past unwillingness of Canadian Pacific (CP) railway to work with business owners on smaller volume transloads and deliveries. In fact, CP has historically shown little cooperation in expanding services in Susquehanna County. Opportunities with the Marcellus Shale natural gas development, Pennsylvania Bluestone, agricultural related businesses and manufacturers have not been fully developed and enhanced by the previous CP rail presence.

CP had a negative effect on Susquehanna County. CP had no interest in assisting local business development beyond large volume opportunities. NS completed a recent acquisition of the southern portion of the Delaware and Hudson between Sunbury, PA and Schenectady, NY from Canadian Pacific. This was great news since we believe from previous experience that NS is well-known for their positive approach toward businesses and economic development. Under CP’s ownership, this 283 mile line segment was allowed to deteriorate through lack of maintenance,
businesses and economic development. Under CP’s ownership, this 283 mile line segment was allowed to deteriorate through lack of maintenance, resulting in poor service to existing customers on the line and discouraging new rail-served business. Norfolk Southern’s $217 million purchase of the D & H South from CP strengthens transportation options for our region’s businesses and manufacturers.

Should CP be allowed to acquire NS via hostile takeover, our hopes for a more accessible rail service for business development will be gone as a result of CP’s existing and past business practices. We believe that numerous opportunities to enhance business development will be lost due to CP’s unwillingness to work with rural businesses that constitute some of the largest employers in Susquehanna County. Without the involvement of a more useful railroad like NS, CP poses a detriment to freight rail service in Susquehanna county and the region.

We thank you for your consideration of this matter. Should you be in need of any further comments, do not hesitate to contact us.

Sincerely,

Anthony J. Ventello  
Executive Director, Progress Authority

Sincerely,

Kenneth Bondurant  
Chairman, Rail Authority

cc:  
Susquehanna County Commissioners  
Susquehanna County Economic Development Board  
Congressman Tom Marino  
Senator Pat Toomey  
Senator Bob Casey  
Representative Sandy Major  
Representative Tina Pickett  
Senator Lisa Baker  
Senator Gene Yaw