December 30, 2015

The Honorable Daniel R. Elliott III, Chairman  
The Honorable Ann D. Begeman, Vice Chairman  
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 South Carolina Chamber of Commerce has been the voice of the state’s business community for seventy-five years, and as such, our organization’s top priority is to advocate for the sustainable and open flow of commerce. Based upon the recent actions of Canadian Pacific Railway (CP) with regards to Norfolk Southern Corporation (NS), specifically the proposal letter from CP dated November 9, 2015 and public comments made by CP officers, there are legitimate concerns that the unsolicited attempt to acquire NS, if allowed to proceed, would have a substantially negative impact on the State of South Carolina and for the United States of America.

The CEO of CP, E. Hunter Harrison, made statements about reductions to NS physical plant and employment levels on November 19, 2015 that indicate severe cuts in resources will be a primary focus. These comments leave little doubt that a merger would result in constricted employment and service levels.

NS has been a great partner to the State. It is the home to over 650 Norfolk Southern employees, who operate 762 miles of track integral to the state’s industry and communities. With a railroad merger between CP and NS there exists a very real threat to businesses in South Carolina and across the country that depend on railroads to get their products to market. Finally, a cost-cutting transaction as proposed by CP would inevitably result in decreased investment in transportation infrastructure. Further limitations on the flow of goods would place a greater strain on South Carolina’s already ailing surface transportation infrastructure network.
Accordingly, any major railroad combination requires a compelling benefit to freight customers, which clearly has not been demonstrated in the unilateral move on NS by CP. As such, I will closely follow future developments between CP and NS closely and urge the Surface Transportation Board to do the same.

Thank you, in advance, for your careful consideration of this important matter.

Sincerely,

Ted Pitts
President & CEO
South Carolina Chamber of Commerce