December 21, 2015

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:

As Chairman of the South Carolina Senate Transportation Committee I take great interest in matters affecting the movement of commerce in and out of South Carolina. The recent developments between Canadian Pacific Railway and Norfolk Southern Corporation are troubling to me. After reading CP’s unsolicited proposal letter and listening to public comments made by CP officials, I have significant concerns that CP’s proposal, if allowed to proceed, would have a negative impact on the State of South Carolina and the United States.

CP’s Chief Executive Officer made statements about reductions to NS physical plant and employment levels on November 19, 2015 that indicate significant cuts in NS resources will be a primary focus of any takeover. Such a move leads me to believe that there would be negative implications for employment and service levels if a merger were to occur. NS is home to over 650 Norfolk Southern employees who operate 762 miles of track that link the state’s industry and communities.

The State of South Carolina has a great working relationship with the people of Norfolk Southern. South Carolina’s manufacturing sector represents a significant and growing employer base, and Norfolk plays an integral role in the movement of manufactured exports through our ports. The impact that a railroad merger would have on the many businesses in South Carolina and across the country that depend on railroads to get their products to market cannot be overstated. I am also concerned that a cost-cutting transaction as proposed by CP would result in decreased investment in our transportation infrastructure.
For these reasons I do not believe a CP acquisition of NS is in the best interest of the people of South Carolina. Instead, the acquisition is likely to harm the people of the State and of the United States.

I intend to follow future developments between CP and NS closely. I urge the Surface Transportation Board to do the same.

Thank you for your careful consideration of this important matter.

Sincerely,

[Signature]

Lawrence K. Grooms, Chairman